

RESOLUTION NO. 11,823

RESOLUTION OF THE CITY COUNCIL OF CITY OF OXNARD
ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 1
(WESTPORT AT MANDALAY BAY) OF THE CITY OF
OXNARD, AUTHORIZING THE LEVY OF A SPECIAL TAX
THEREIN AND CALLING AN ELECTION

WHEREAS, the City Council of City of Oxnard (the "City Council") has heretofore adopted Resolution No. 11,814 stating its intention to form Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, a copy of Resolution No. 11,814 setting forth a description of the proposed boundaries of the District, the facilities to be financed by the District and the rate and method of apportionment of the special tax proposed to be levied within the District is on file with the City Clerk and except to the extent amended by this resolution is incorporated herein by reference; and

WHEREAS, notice was published and mailed to all landowners of the land proposed to be included within the District as required by law relative to the intention of the City Council to form the proposed District and to levy a special tax and to incur bonded indebtedness in the amount of \$10,000,000 therein; and

WHEREAS, on October 3, 2000, this City Council held a noticed public hearing as required by law relative to the proposed formation of the District, the levy of the special tax therein and the issuance of bonded indebtedness by the District; and

WHEREAS, prior to the noticed public hearing there was filed with this City Council a report prepared by David Taussig & Associates containing a description of the facilities necessary to meet the needs of the District and an estimate of the cost of such facilities as required by Section 53321.5 of the Government Code (the "Report"); and

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District, the levy of the special tax and the issuance of bonded indebtedness were heard and a full and fair hearing was held; and

WHEREAS, at the public hearing evidence was presented to the City Council on the matters before it, and the proposed special tax to be levied within the District was not precluded by a majority protest of the type described in Government Code Section 53324, and this City Council at the conclusion of the hearing is fully advised as to all matters relating to the formation of the District, the levy of the special tax and the issuance of bonded indebtedness therein; and

WHEREAS, the City Council has determined that there have been fewer than twelve registered voters residing in the proposed boundaries of the District for the statutory period and that the qualified electors in the District are the landowners within the District; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of the District and to call an election therein to authorize (i) the levy of special taxes pursuant to the rate and method of apportionment of the special tax, as set forth in Attachment A attached hereto, (ii) the issuance of bonds to finance the acquisition or construction of the Facilities, and (iii) the establishment of an appropriations limit for the District;

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

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. A community facilities district to be designated "Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard" is hereby established pursuant to the Act. The City Council hereby finds and determines that all prior proceedings taken with respect to the establishment of the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

SECTION 3. The boundaries of the District are established as shown on the map designated "Map of Proposed Boundaries of Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard", which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Ventura Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 17, Page No. 89, recorded on September 11, 2000.

SECTION 4. The facilities authorized to be provided for the District are the construction, purchase, modification, expansion, improvement or rehabilitation of waterways located within and without the District and to the extent bond proceeds are available all or a portion of sanitary sewer facilities, roadways and water facilities, and all appurtenances and appurtenant work in connection with the foregoing (the "Facilities") as shown on a map of the District on file in the office of the City Clerk and to finance the incidental expenses to be incurred (collectively, the "Incidental Expenses"), including: (a) the cost of engineering, planning and designing the Facilities; (b) all costs associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and the collection thereof, costs otherwise incurred in order to carry out the authorized purposes of the District and the cost of administering the District; and (c) the cost of forming a companion Mello-Roos Community Facilities District with boundaries coterminous with the District to be known as Community Facilities District No. 2 (Westport at Mandalay Bay) of the City of Oxnard.

SECTION 5. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters of the District, to levy the proposed special tax at the rates set forth in Attachment A hereto on all non-exempt property within the District sufficient to pay for (i) the Facilities, (ii) the principal and interest and other periodic costs on the bonds proposed to be issued to finance the Facilities, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees and other expenses of the type permitted by Section 53345.3 of the Act; and (iii) the costs of forming the District and administering the levy and collection of the special tax and all other administrative costs of the special tax levy and bond issues. The District expects to incur, and in certain cases has already incurred, incidental expenses in connection with the creation of the District, the issuance of bonds,

the levying and collecting of the special tax, the completion and inspection of the Facilities and the annual administration of the bonds and the District. The rate and method of apportionment of the special tax is described in detail on Attachment A hereto and incorporated herein by this reference, and the City Council hereby finds that Attachment A contains sufficient detail to allow each landowner within the District to estimate the maximum amount that may be levied against each parcel. As described in greater detail in the Report, which is incorporated by reference herein, the special tax is based on the expected demand that each parcel of real property within the District will place on the Facilities and on the benefit that each parcel will derive from the right to access the Facilities and, accordingly, is hereby determined to be reasonable. The special tax shall be levied on each Assessor's Parcel for a period not to exceed thirty years from the Fiscal Year 2001-2002. The special tax is apportioned to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax is not on or based upon the ownership of real property.

The Office of the Finance Director of the City of Oxnard, 305 West Third Street, Oxnard, California 93030, telephone number (805) 385-7461, will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

SECTION 6. In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Attachment A, the City Council shall, on behalf of the District, increase the levy to the extent necessary and permitted by law and these proceedings upon the remaining property within the District which is not delinquent or exempt in order to yield the required debt service payments on any outstanding bonds of the District or to prevent the District from defaulting on any of its other obligations or liabilities. The amount of the special tax will be set in accordance with the rate and method of apportionment of the special tax attached hereto as Attachment A.

SECTION 7. 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 non-exempt real property in the District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the special tax by the District ceases.

SECTION 8. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within the District, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within the District and will be benefited by the Facilities proposed to be provided within the District.

SECTION 9. It is hereby further determined that there is no ad valorem property tax currently being levied on property within the District for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of the District as are proposed to be provided by the Facilities to be financed by the District.

SECTION 10. Written protests against the establishment of the District have not been filed by one-half or more registered voters within the boundaries of the District or by the property owners of one-half (1/2) or more of the area of land within the District. The City Council hereby finds that

the proposed special tax has not been precluded by a majority protest pursuant to Section 53324 of the Act.

SECTION 11. An election is hereby called for the District on the propositions of levying the special tax on the property within the District and establishing an appropriations limit for the District pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness, pursuant to Section 53351 of the Act. The language of the proposition to be placed on the ballot is attached hereto as Attachment B.

SECTION 12. The date of the election for the District on the proposition of incurring the bonded indebtedness, authorizing the levy of the special tax and establishing an appropriations limit for the District shall be October 3, 2000. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City of Oxnard insofar as such provisions are determined by the City Clerk to be applicable.

It is hereby found that there are not more than twelve registered voters within the territory of the District, and, pursuant to Section 53326 of the Government Code, the landowner who is the owner of record on the date hereof or the authorized representative thereof shall have one vote for each acre or portion thereof that he or she owns within the District. Pursuant to Section 53326 of the Government Code, the sole landowner within the District has submitted to the City Council a waiver of all time limits applicable to the election and the City Council directs the City Clerk to conduct the election following the adoption of this resolution.

SECTION 13. The preparation of the Report is hereby ratified. The Report, as submitted, is hereby approved and is made a part of the record of the public hearing regarding the formation of the District, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

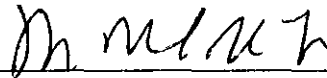
ADOPTED, SIGNED AND APPROVED this 3rd day of October, 2000 by the following
vote:

AYES: Councilmembers Maulhardt, Pinkard, Zaragoza, Holden and Lopez.

NOES: None.

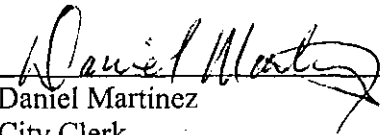
ABSENT: None.

ABSTAIN: None.



Dr. Manuel M. Lopez
Mayor

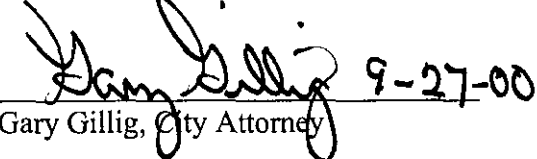
ATTEST:



Daniel Martinez
City Clerk

(SEAL)

APPROVED AS TO FORM:



Gary Gillig, City Attorney

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 1
(WESTPORT AT MANDALAY BAY)
OF THE CITY OF OXNARD**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard ("CFD No. 1") and collected each Fiscal Year commencing in Fiscal Year 2001-02, in an amount determined by the Council through the application of the appropriate Special Tax for "Developed Property," "Property Owner Association Property," "Taxable Public Property," and "Undeveloped Property" as described below. All of the real property in CFD No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 1: 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 County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 1 or any designee thereof of complying with City, CFD No. 1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 1 for any other administrative purposes of CFD No. 1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"**Apartment Property**" means all Assessor's Parcels of Residential Property that consists of a building or buildings comprised of attached residential units available for rental, but not purchase, by the general public and under common management, excluding Duplex Property and Townhouse Property.

"**Assessor's Parcel**" means a lot or 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.

"**Assigned Special Tax**" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"**Backup Special Tax**" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"**Bonds**" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 1 under the Act.

"**CFD 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.

"**CFD No. 1**" means Community Facilities District No. 1 (Westport at Mandalay Bay) of the City.

"**City**" means the City of Oxnard.

"**Council**" means the City Council of the City, acting as the legislative body of CFD No. 1.

"**County**" means the County of Ventura.

"**Developed Property**" means, for each Fiscal Year, all Taxable Property, exclusive of Property Owner Association Property, or Taxable Public Property, for which a building permit for new construction was issued as of January 1 of the previous Fiscal Year.

"**Duplex Property**" means all Assessor's Parcels of Residential Property which are designated as R-2-C in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to this Rate and Method of Apportionment.

"**Fiscal Year**" means the period starting July 1 and ending on the following June 30.

"**Indenture**" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"**Land Use Class**" means any of the classes listed in Table 1.

"**Lot Size**" for any Assessor's Parcel of Single Family Property means the Acreage multiplied by 43,560.

"**Maximum Special Tax**" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"**Non-Residential Floor Area**" for any Non-Residential Property means the total of the gross area of the floor surfaces within the exterior wall of the building, not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The determination of Non-Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"**Non-Residential Property**" means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

"**Outstanding Bonds**" means all Bonds which are deemed to be outstanding under the Indenture.

"**Property Owner Association Property**" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 1 that was owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, as of January 1 of the previous Fiscal Year. However, any property which constitutes the "pad-area" under a residential or non-residential building shall not be considered Property Owner Association Property.

"**Proportionately**" means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"**Public Property**" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 1 that was owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency as of January 1 of the previous Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2 that was encumbered, as of January 1 of the previous Fiscal Year, by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Residential Floor Area" for any Residential Property means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"Single Family Property" means all Assessor's Parcels of Residential Property which are designated as R-W-1 in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to this Rate and Method of Apportionment.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Undeveloped Property, Property Owner Association Property, and Taxable Public Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 1 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 1 facilities eligible under the Act; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Townhouse Property" means all Assessor's Parcels of Residential Property which are designated as R-3-C in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to this Rate and Method of Apportionment.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Property Owner Association Property, or Taxable Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 1 shall be classified as Developed Property, Taxable Public Property, Property Owner Association Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Classes 1 through 7 based on the type of use and the Lot Size or Residential Floor Area, as applicable. Non-Residential Property shall be assigned to Land Use Class 8.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

b. Assigned Special Tax

The Assigned Special Tax for Fiscal Year 2001-02 for each Land Use Class is shown below in Table 1.

TABLE 1

**Assigned Special Taxes for Developed Property
For Fiscal Year 2001-02
Community Facilities District No. 1**

Land Use Class	Land Use	Description	Assigned Special Tax
1	Single Family Property	Lot Size > 5,500 s.f.	\$3,575.55 per unit
2	Single Family Property	Lot Size 4,500 - 5,500 s.f.	\$3,391.00 per unit
3	Single Family Property	Lot Size < 4,500 s.f.	\$2,666.67 per unit
4	Duplex Property	NA	\$1,730.10 per unit
5	Townhouse Property	Residential Floor Area > 2,200 s.f.	\$1,430.22 per unit
6	Townhouse Property	Residential Floor Area ≤ 2,200 s.f.	\$1,259.52 per unit
7	Apartment Property	NA	\$644.05 per unit
8	Non-Residential Property	NA	\$0.6441 per square foot of Non-Residential Floor Area

c. Backup Special Tax

The Fiscal Year 2001-02 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$0.5892 per square foot of the Assessor's Parcel.

d. Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2002, the Assigned Special Tax and the Backup Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

e. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax

that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. **Undeveloped Property, Property Owner Association Property, and Taxable Public Property**

a. Maximum Special Tax

The Fiscal Year 2001-02 Maximum Special Tax for Undeveloped Property, Property Owner Association Property, and Taxable Public Property shall be \$25,667 per Acre.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2002, the Maximum Special Tax for Undeveloped Property, Property Owner Association Property, and Taxable Public Property, shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2001-02 and for each following Fiscal Year, the Council shall levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Property Owner Association Property and Taxable Public Property at up to the Maximum Special Tax for Property Owner Association Property or Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 1.

E. EXEMPTIONS

No Special Tax shall be levied on up to 30.59 Acres of Public Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property. However, should an Assessor's Parcel no longer be classified as Public Property its tax-exempt status will be revoked.

Public Property that is not exempt from Special Taxes under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The 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. 1 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.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"**CFD Public Facilities**" means either \$5.7 million in 2000 dollars, which shall increase by the Construction Inflation Index on July 1, 2001, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 1 under the authorized bonding program for CFD No. 1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"**Construction Fund**" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

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

"**Future Facilities Costs**" means the CFD Public Facilities minus public facility costs that were funded by Previously Issued Bonds (including monies in the Construction Fund or an escrow account), minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment, and minus public facilities costs paid directly with Special Taxes.

"**Outstanding Bonds**" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"**Previously Issued Bonds**" means all Bonds that have been issued by CFD No. 1 prior to the date of prepayment.

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	<u>Capitalized Interest Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
2. (a) Divide the Assigned Special Tax computed pursuant to paragraph 1 by the total estimated Assigned Special Taxes for the entire CFD No. 1 based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 1, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 1 by the total estimated Backup Special Taxes at buildout for the entire CFD No. 1, excluding any Assessor's Parcels which have been prepaid.

3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
4. Multiply the Bond Redemption Amount computed pursuant to paragraph 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
5. Compute the current Future Facilities Costs.
6. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the amount determined pursuant to paragraph 5 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
8. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 7 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal

Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 3, 4, 6, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 3, 4, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 6 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 1.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on Taxable Property within CFD No. 1 both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed forty years, commencing in Fiscal Year 2001-2002.

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ATTACHMENT B
BALLOT PROPOSITION
COMMUNITY FACILITIES DISTRICT NO. 1
(WESTPORT AT MANDALAY BAY)
OF THE CITY OF OXNARD

PROPOSITION NO. A: Shall Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard (the "District") be authorized to incur an indebtedness and issue bonds in the maximum aggregate principal amount of \$10,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, the proceeds of which will be used to finance the construction, purchase, modification, expansion, improvement or rehabilitation of waterways located within and without the District and to the extent bond proceeds are available all or a portion of sanitary sewer facilities, roadways and water facilities, and all appurtenances and appurtenant work in connection with the foregoing (the "Facilities"), and to finance the incidental expenses to be incurred (collectively, the "Incidental Expenses"), including: (a) the cost of engineering, planning and designing the Facilities; (b) all costs associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and the collection thereof, costs otherwise incurred in order to carry out the authorized purposes of the District and the cost of administering the District; and (c) the cost of forming a companion Mello-Roos Community Facilities District with boundaries coterminous with the District to be known as Community Facilities District No. 2 (Westport at Mandalay Bay) of the City of Oxnard, as provided in Resolution No. 11,814 and Resolution No. 11,816 of the City Council of the City of Oxnard (collectively, the "Resolution of Intention"), and shall a special tax with a rate or rates and method of apportionment as provided in the Resolution of Intention be levied to pay for the Facilities, for the creation or replenishment of any necessary reserve funds, for any Incidental Expenses of the City of Oxnard, for any expenses associated with the Facilities, the Incidental Expenses or the bonds, and for the payment of the principal of and interest on such bonds?

YES _____

NO _____

PROPOSITION B: For each year commencing with Fiscal Year 2001/2002, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard, be an amount equal to \$10,000,000?

YES _____

NO _____