

Recording Requested By and  
When Recorded Mail to:

CITY OF WOODLAND  
300 First Street  
Woodland, CA 95695

Attention: City Clerk



YOLO Recorder's Office  
Freddie Oakley, County Recorder  
**DOC- 2004-0030198-00**

Check Number 1284  
REQD BY CITY OF WOODLAND  
Wednesday, JUL 07, 2004 11:23:00  
Ttl Pd \$64.00 Nbr-0000497935  
LUP/R8/1-20

### NOTICE OF SPECIAL TAX LIEN

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned City Clerk of the City of Woodland, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Woodland, State of California. The special tax secured by this lien is authorized to be levied for the purpose of financing the facilities described on Exhibit A attached hereto and incorporated herein, either directly or by paying principal and interest on bonds the proceeds of which will be used to construct or acquire the facilities, and to pay any other related incidental costs or expenses authorized by law.

The special tax is authorized to be levied within City of Woodland Community Facilities District No. 2004-1 (Spring Lake) (the "District"), which has now been officially formed. The lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied and cancelled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit B attached hereto and incorporated herein. The obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled as described in Exhibit B.

Notice is further given that, upon the recording of this notice in the office of the Yolo County Recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the District in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the District and not exempt from the Special Tax are shown on Exhibit C.

Reference is made to the boundary map of the District recorded at Book 2004 of Maps of Assessment and Community Facilities Districts at Page 62, in the office of the County Recorder for the County of Yolo, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the City Finance Director at City Hall, 300 First Street, Woodland, California 95695, telephone (530) 661-5830.

Dated: July 2, 2004

CITY OF WOODLAND

By: Susan L. Vannucci  
Susan Vannucci  
City Clerk

**EXHIBIT A**

**CITY OF WOODLAND  
COMMUNITY FACILITIES DISTRICT NO. 2004-1  
(Spring Lake)**

**LIST OF AUTHORIZED FACILITIES**

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**A. PUBLIC IMPROVEMENTS**

The following improvements represent the primary facilities that are authorized to be constructed with Mello-Roos CFD Special Tax proceeds. These facilities are representative of the authorized local infrastructure required for development of the Spring Lake Specific Plan area.

**(1) Sewer System Improvements**

Authorized facilities include any and all sewer system improvements designed to serve the development needs of the Spring Lake area. These facilities may include major collection system, sewer lines (gravity lines and force main), lift station, water wells (for the flushing of sewer lines), maintenance roads, and all other appurtenances related to sewer system improvements.

**(2) Water System Improvements**

Authorized facilities include any and all water transmission main improvements designed to serve the development needs of the Spring Lake area. These facilities may include water wells, pumping systems, transmission mains, and any other appurtenances related to water system improvements.

**(3) Drainage Improvements**

Authorized facilities include any or all off-site drainage and storm water conveyance improvements designed to serve the needs of development within the CFD. These facilities include, but are not limited to: pipeline and appurtenances; drainage channels; detention basins/ponds; temporary drainage facilities; water quality improvements (including basins); and related drainage system improvements.

**(4) Park Improvements**

Authorized facilities include any and all park improvements designed to serve the needs of the Spring Lake area. These facilities may include neighborhood and sports parks, including the development of parks, parkways, bike trails, paths, open space, playing facilities, and any other appurtenances related to park improvements.

**(5) Transportation Improvements**

Authorized facilities include, but may not be limited to, the following transportation-related improvements:

- Portions of Gibson Road
- Portions of County Road 102
- Portions of Pioneer Avenue
- Parkway Drive
- Portions of East Street
- Portions of County Road 25A
- Portions of County Road 101
- County Road 24C
- Farmer's Central Road

Eligible transportation-related facility improvements include, but are not limited to: grading and paving; existing pavement removal; joint trenches; utility relocations and underground utilities; curbs; gutters; bridge and/or box culvert crossings; street lights and signalization; signage and striping; and median landscaping related thereto.

**B. OTHER EXPENSE**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation and environmental remediation/mitigation); land acquisition for authorized CFD facilities; project management; construction staking, utility relocation and demolition cost incident to the construction of the public facilities; cost associated with the creation of the Mello-Roos CFD: 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 CFD; reimbursements to parties funding infrastructure facilities serving development within the CFD; and, any other expenses incidental to the construction, completion, and inspection of the facilities.

**EXHIBIT B**

**CITY OF WOODLAND  
COMMUNITY FACILITIES DISTRICT NO. 2004-1  
(Spring Lake)**

**RATE, METHOD OF APPORTIONMENT,  
AND MANNER OF COLLECTION OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Spring Lake) [herein "CFD No. 2004-1"] shall be levied and collected according to the tax liability determined by the City Council, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2004-1 unless a separate Rate, Method of Apportionment, and Manner of Collection of Special Tax is adopted for the annexation area.

**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 or other map recorded in the County Recorder's Office.

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

**"Administrative Expenses"** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, costs of levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into CFD No. 2004-1, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2004-1.

**"Administrator"** shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method.

5

**“Affordable Cluster Unit”** means a residential unit that is smaller and built at a higher density than indicated by the Specific Plan Land Use Designation for the Parcel in order to meet the City’s affordable housing requirements. The City shall determine, in its sole discretion, whether Affordable Cluster Units are included in each Final Map that is submitted to the City for approval.

**“Affordable Multi-Family Property”** means a Parcel of Multi-Family Property that is either deed-restricted to maintain the affordability of the residential units within the building or, in the City’s sole discretion, otherwise qualifies as affordable housing.

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

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

**“Attachment 1”** means Attachment 1 to this Rate and Method, which will be updated regularly by the Administrator as Successor Parcels are created within CFD No. 2004-1, Expected Units/Acres are transferred among Parcels, and additional BUAs are assigned to Parcels above the amount assigned as of CFD Formation.

**“Base Maximum Special Tax”** means the Maximum Special Tax for each Specific Plan Land Use Designation, as shown in Section C.1 below, that was used to assign the Maximum Special Tax to each Original Parcel at CFD Formation. The Base Maximum Special Tax for Residential Units shown in Section C.1 is also intended to be the final Maximum Special Tax that will be in effect when a Residential Unit is sold to a homeowner, although the actual Maximum Special Tax per Residential Unit may be higher if a mandatory prepayment is not received to offset a Unit/Acre Deficit, as set forth in Section C.3a 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 the City for CFD No. 2004-1 under the Act.

**“BUA”** means the single family residential building unit allocations assigned by the City to Parcels within CFD No. 2004-1 pursuant to Chapter 26 of the City of Woodland Municipal Code.

**“BUA Release”** means that the City has allocated additional BUAs to Parcels in CFD No. 2004-1 and, because of the BUA Release, additional Residential Units or High Density Acres can be developed on such Parcels.

**“Capitalized Interest”** means funds in any capitalized interest account available to pay debt service on Bonds.

**“CFD Formation”** means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

**“City”** means the City of Woodland.

**“City Council”** means the city council of the City of Woodland, acting as the legislative body for CFD No. 2004-1.

**“County”** means the County of Yolo.

**“Developed Property”** means, in any Fiscal Year, any Parcel of Taxable Property in CFD No. 2004-1 for which a building permit was issued prior to January 1 of the preceding Fiscal Year.

**“Development Rights”** means, for any Parcel within CFD No. 2004-1, either of the following (i) that BUAs have been assigned to the Parcel based on a BUA Release that has already taken place, (ii) on which single family detached or single family attached affordable units can be built without BUAs being assigned for such units, or (iii) that the Parcel, or a portion thereof, is High-Density Property pursuant to the definition set forth below.

**“Duplex/Half-Plex Property”** means, in any Fiscal Year, any Parcel of Developed Property for which a building permit was issued for construction of a residential dwelling unit that shares a common wall with one other residential unit.

**“Expected Units/Acres”** means the number of Residential Units or High-Density Acres within each Specific Plan Land Use Designation that are expected on an Original Parcel in CFD No. 2004-1. The Expected Units/Acres for each Original Parcel as of CFD Formation are shown in Attachment 1 of this Rate and Method. In relation to Successor Parcels, “Expected Units/Acres” means the number of Residential Units or High Density Acres within each Specific Plan Land Use Designation that was assigned by the Administrator to the Successor Parcel when the Original Parcel was subdivided.

**“Expected Maximum Special Tax Revenues”** means the amount of revenue that would be available in any Fiscal Year if the Maximum Special Tax were levied on the Expected Units/Acres. The Expected Maximum Special Tax Revenues for each Original Parcel as of CFD Formation are shown in Attachment 1 of this Rate and Method. The Administrator shall update the Expected Maximum Special Tax Revenues for each Parcel within the CFD after each BUA Release, and the Administrator shall update Attachment 1 to keep a current record of the Expected Maximum Special Tax Revenues within the CFD.

**“Final Map”** means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Sections 66410 *et seq.*) that creates Residential Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map or portion thereof that does not create Residential Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

**“High Density Acres”** means the Acreage of High Density Property.

**“High-Density Property”** means property with a Specific Plan Land Use Designation of R-15, R-20 or R-25.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

**“Multi-Family Property”** means, in any Fiscal Year, any Parcel of Developed Property for which a building permit was issued for construction of a residential structure with three or more residential units that share common walls, all of which are offered for rent to the general public.

**“Original Parcel”** means an Assessor’s Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 1 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

**“Proportionately”** means that the ratio of the actual Special Tax levied in a Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels within a class of property (Developed Property, Small Lot Tentative Map Property or Undeveloped Property).

**“Public Property”** means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, City, County or other public agency.

**“Rate and Method”** means this Rate, Method of Apportionment, and Manner of Collection of Special Tax.

**“Residential Lot”** means a Parcel within a Final Map on which an individual Residential Unit, single family attached building, condominium unit, or multi-family building can be constructed without further subdivision of the Parcel.

**“Residential Unit”** means a single family detached residential dwelling unit or, for Duplex/Half-Plex Property, an individual residential dwelling unit that shares a common wall with another unit.

**“Small Lot Tentative Map”** means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Residential Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

**“Small Lot Tentative Map Property”** means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved by June 30 of the prior Fiscal Year (including any such maps that have subsequently expired), and which have not yet become Developed Property.

**“Special Tax”** means any tax levied pursuant to the Act on property within CFD No. 2004-1.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay the principal of and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish reserve funds for the Bonds; (iii) cure any delinquencies in the payment of the principal of or interest on Bonds that have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; (iv) pay Administrative Expenses; and (v) pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2004-1. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

**“Specific Plan Land Use Designation”** means the land use designation dictated by the Spring Lake Specific Plan, as determined in the sole discretion of the City. For purposes of designating the Expected Land Uses in Attachment 1, Duplex/Half-Plex Property and Affordable Cluster Units shall also be considered a Specific Plan Land Use Designation.

**“Successor Parcel”** means a Parcel of Taxable Property created from an Original Parcel or another Successor Parcel by subdivision or lot line adjustment.

**“Taxable Non-Residential Property”** means, in any Fiscal Year, any Assessor’s Parcel of Developed Property that: (i) had a building permit issued prior to January 1 of the prior Fiscal Year for construction of a commercial or industrial building, and (ii) had, in prior Fiscal Years, been developed and taxed as residential property or designated for Residential Units or High-Density Acres in the Spring Lake Specific Plan. If a Parcel that had been designated for Residential Units or High-Density Acres is subsequently designated for non-residential development, the Parcel will not become Taxable Non-Residential Property if, in the City’s sole discretion, the Expected Units/Acres from that Parcel were shifted to another Parcel with no resulting decrease in the Expected Maximum Special Tax Revenues associated with those Expected Units/Acres.

**“Taxable Property”** means any Assessor’s Parcel within the boundaries of CFD No. 2004-1 that is not exempt from the Special Tax pursuant to law or Section F below.

**“Undeveloped Property”** means, in any Fiscal Year, any Parcel of Taxable Property within CFD No. 2004-1 that is not Developed Property or Small Lot Tentative Map Property, as defined above.

**“Unit/Acre Deficit”** means the difference between the Expected Units/Acres within each Specific Plan Land Use Designation for a particular Parcel and the number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation indicated on a Final

Map for the Parcel to the extent such Unit/Acre Deficit is not offset by a Residential Unit or High-Density Acre transfer pursuant to Section C.5 of this Rate and Method. The City shall determine, in its sole discretion, whether a Unit/Acre Deficit exists pursuant to the steps set forth in Section C below.

**B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for Taxable Property within CFD No. 2004-1. Each Fiscal Year, the Administrator shall also (i) categorize each Parcel of Taxable Property as Developed Property, Small Lot Tentative Map Property or Undeveloped Property, (ii) determine if Parcels of Multi-Family Property are Affordable Multi-Family Property, (iii) determine if there are Parcels of Taxable Non-Residential Property in CFD No. 2004-1, and (iv) calculate the Special Tax Requirement for the Fiscal Year.

In addition, on an ongoing basis, the Administrator shall track the subdivision of Original Parcels and Successor Parcels within CFD 2004-1, meet with the City to determine how the Expected Units/Acres should be allocated among Successor Parcels, determine if there has been an additional BUA Release, determine whether transfers of Expected Units/Acres have occurred pursuant to Section C.5 below, and update Attachment 1 to reflect new Parcel numbers and the current allocation of Expected Units/Acres among the Parcels.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map. Similarly, if a portion of a Parcel is included in an approved Small Lot Tentative Map while the remainder of the Parcel is Undeveloped Property, the Administrator shall separately calculate the Special Tax that applies to the Small Lot Tentative Map Property and the Undeveloped Property within the Parcel, and the Special Tax levied on the Parcel shall be the sum of the two figures.

**C. MAXIMUM SPECIAL TAX**

*1. Base Maximum Special Tax*

The Fiscal Year 2004-05 Base Maximum Special Taxes shown in Table 1 below were used to determine the Expected Maximum Special Tax Revenues from each Original Parcel as of CFD Formation and shall be used to allocate the Maximum Special Tax to Successor Parcels as explained below in this Section C.

<b>TABLE 1</b>	
<b>Zoning Designation</b>	<b>Base Maximum Special Tax (Fiscal Year 2004-05)*</b>
R-3	\$1,975 per Residential Unit
R-4	\$1,900 per Residential Unit
R-5	\$1,700 per Residential Unit
R-8	\$1,400 per Residential Unit
Duplex/Half-Plex Property	\$1,400 per Residential Unit
Affordable Cluster Units	\$667 per Residential Unit
R-15	\$10,000 per Acre
R-20	\$9,200 per Acre
R-25	\$9,200 per Acre

***\*On July 1, 2005 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 1 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.***

Once a Special Tax has been levied on a Parcel of Developed Property, the Maximum Special Tax applicable to that Parcel shall not be reduced in future Fiscal Years regardless of changes in land use on the Parcel. Notwithstanding the foregoing, the actual Special Tax levied on a Parcel of Developed Property in any Fiscal Year may be less than the Maximum Special Tax if a lower Special Tax is calculated pursuant to Step 1 in Section D below.

**2. Original Parcels**

The Maximum Special Tax as of CFD Formation for each Original Parcel in CFD No. 2004-1 is identified in Attachment 1. Thereafter, the Parcels and Expected Units/Acres within each Specific Plan Land Use Designation and the Maximum Special Tax assigned to each Original Parcel may be revised due to lot line adjustments, tentative map revisions, changes in BUA assignments, rezonings, an additional BUA Release or Expected Unit/Acre transfers (as discussed in Section C.5 below) as long as such revisions do not reduce the Expected Maximum Special Tax Revenues available within the CFD. Revisions to the number of Expected Units/Acres shall be allowed at the City's discretion after receipt of a written request from the owners of Parcels affected by the revision.

3. *Successor Parcels*

When a Final Map is submitted to the City that will result in the subdivision of an Original Parcel, the Administrator shall compare the land uses proposed for the Successor Parcels to the land uses that had been expected for the Original Parcel, based on reference to Attachment 1. ***Prior to approval of the Final Map***, the Maximum Special Tax shall be determined for each Successor Parcel as follows:

a. **All Successor Parcels are Residential Lots**

If all Successor Parcels are Residential Lots, the Maximum Special Tax for each Successor Parcel shall be determined as follows:

- (i) If the total number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation proposed on the Successor Parcels is ***greater than or equal to*** the Expected Units/Acres for that Original Parcel (as shown in Attachment 1), the Maximum Special Tax for each Successor Parcel shall be determined by multiplying the Base Maximum Special Tax for each Specific Plan Land Use Designation from Table 1 above by the number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation expected on each Successor Parcel.
- (ii) If the total number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation proposed on the Successor Parcels is ***less than*** the Expected Units/Acres within each Specific Plan Land Use Designation for that Original Parcel (as shown in Attachment 1), the Maximum Special Tax for each Successor Parcel shall be determined by multiplying the Base Maximum Special Tax for each Specific Plan Land Use Designation from Table 1 above by the number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation expected on each Successor Parcel. In addition, the Administrator shall identify the Unit/Acre Deficit and, **prior to recordation of the Final Map**, the landowner shall be required to prepay the Maximum Special Tax associated with the Unit/Acre Deficit per the formula provided in Section G.

Notwithstanding the above, if there was not a Unit/Acre Deficit based on the proposed Final Map, but the number of Residential Units or High-Density Acres within each Specific Plan Land Use Designation shifted resulting in a reduction in the Expected Maximum Special Tax Revenues, a mandatory prepayment shall still be required to make up for the loss in revenues. In such case, the Maximum Special Tax to be used in Step 1 of the prepayment formula set forth in Section G below shall be the dollar amount by which the Expected Maximum Special Tax Revenues were reduced due to the change in Specific Plan Land Use Designation.

If, for any reason, a Final Map is **recorded** that will result in a reduction in the Expected Maximum Special Tax Revenues, and the mandatory prepayment was not collected prior to the recordation, the amount of the prepayment that should have been collected may be spread on a per-acre basis and included on the next

12

property tax bill for all Assessor's Parcels within the Final Map. Alternatively, the Maximum Special Tax on Residential Lots within the Final Map that have not yet been sold to individual homebuyers may be increased until the amount that can be collected from all property within the Final Map is equal to the Expected Maximum Special Tax Revenues for that area.

**b. Some, But Not All, Successor Parcels are Residential Lots**

If some, but not all, Successor Parcels are Residential Lots, the Administrator shall apply the following steps to determine Maximum Special Tax for each Successor Parcel:

- (i) Determine the Expected Units/Acres within each Specific Plan Land Use Designation for the portion of the Original Parcel that is being subdivided into Residential Lots and apply steps (i) and (ii) from Section C.3.a above to calculate the Maximum Special Tax for the Successor Parcels created from that portion of the Original Parcel. The Administrator shall also determine whether a Unit/Acre Deficit exists based on the number of Expected Units/Acres within each Specific Plan Land Use Designation for the portion of the Original Parcel compared to the number of Residential Units and High-Density Acres within each Specific Plan Land Use Designation that would result from the proposed Final Map. If a Unit/Acre Deficit or change in Specific Plan Land Use Designation is proposed that would reduce the Expected Maximum Special Tax Revenues from that portion of the Original Parcel, a mandatory prepayment will be required to offset such reduction. Alternatively, the Maximum Special Tax on Residential Lots within the Final Map that have not yet been sold to individual homebuyers may be increased until the amount that can be collected from all property within the Final Map is equal to the Expected Maximum Special Tax Revenues for that area.
- (ii) Determine the Expected Units/Acres within each Specific Plan Land Use Designation for the other Successor Parcels created from the subdivision of the Original Parcel, and apply the direction set forth in Sections C.3.c or C.3.d, as appropriate.

**c. Taxable Non-Residential Property and Public Property**

If a Successor Parcel that had been assigned Expected Units/Acres becomes Taxable Non-Residential Property or Public Property, and the Expected Units/Acres have not been transferred to another Parcel of Taxable Property, the Administrator shall determine the Maximum Special Tax for the Parcel as follows:

- (i) Determine the Expected Units/Acres within each Specific Plan Land Use Designation for the Successor Parcel.
- (ii) Multiply the Base Maximum Special Tax from Section C.1 by the number of Expected Units/Acres within each Specific Plan Land Use Designation for the Parcel.

**d. Property Subject to Further Subdivision or Future BUA Release**

If a Successor Parcel will be further subdivided prior to issuance of building permits, the Maximum Special Tax assigned to the Successor Parcel shall be determined by multiplying the number of Expected Units/Acres within each Specific Plan Land Use Designation for the Successor Parcel by the Base Maximum Special Tax for each Specific Plan Land Use Designation as set forth in Section C.1. Notwithstanding the foregoing, if the City determines that a Successor Parcel has no Development Rights until there is an additional BUA Release, such Successor Parcel shall not have a Maximum Special Tax assigned to it and shall not be subject to a Special Tax levy until such BUA Release takes effect. Notwithstanding the foregoing, if only a portion of a Successor Parcel cannot be developed until a future BUA Release, the full Parcel shall be subject to the Special Tax levy based on the Development Rights that are already assigned to the Parcel.

*In determining the Maximum Special Tax for any Successor Parcel, the City shall make the final determination of the Expected Units/Acres within each Specific Plan Land Use Designation. In no event shall a transfer of Expected Units/Acres among Parcels result in a reduction in the total Expected Maximum Special Tax Revenues for CFD No. 2004-1, as identified in Attachment 1.*

4. *Parcels Annexed into CFD No. 2004-1*

Any Parcel annexed into CFD No. 2004-1 shall be assigned a number of Expected Units/Acres and a corresponding Maximum Special Tax in accordance with the annexation documents adopted by the City Council. The Parcel shall thereafter be treated as an Original Parcel for purposes of this Rate and Method, and the Administrator shall update Attachment 1 to include the new Parcel(s).

5. *Unit/Acre Transfers*

If a landowner proposes reducing the number of Expected Units/Acres on one Parcel and increasing the Expected Units/Acres on another Parcel, the City may allow such a transfer of Expected Units/Acres and the corresponding Expected Maximum Special Tax Revenues if both of the following conditions are met: (i) any decrease in one Parcel's Expected Maximum Special Tax Revenues is offset by an equal increase in the Expected Maximum Special Tax Revenues assigned to other Parcels, and (ii) written consent has been received by the City from all owners of Parcels affected by the transfers. After the transfers have been approved by the City, the Administrator shall update Attachment 1 to reflect the new assignments. This Section C.5 does not relate to the transfer of BUAs among property owners, which will be handled separately by the City.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year, and a Special Tax shall be levied according to the following steps:

- Step 1:* The Special Tax shall be levied Proportionately on each Parcel of Developed Property within CFD No. 2004-1 up to 100% of the Maximum Special Tax for such Fiscal Year determined pursuant to Section C until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 2:* If additional revenue is needed after applying Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Small Lot Tentative Map Property within CFD No. 2004-1 up to 100% of the Maximum Special Tax for such Small Lot Tentative Map Property determined pursuant to Section C.
- Step 3:* If additional revenue is needed after applying Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property within CFD No. 2004-1 up to 100% of the Maximum Special Tax for such Undeveloped Property determined pursuant to Section C.

**E. MANNER OF COLLECTION OF THE SPECIAL TAX**

The Special Taxes for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that prepayments are permitted as set forth in Section G below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until the principal of and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2049-2050. Under no circumstances may the Special Tax on one Parcel be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels.

**F. EXEMPTIONS**

Notwithstanding any other provisions of the Rate and Method, no Special Tax shall be levied on: (i) Public Property, except as otherwise provided in the Act and in Section C.3.c of this Rate and Method, (ii) Parcels that have prepaid the Special Tax obligation and had a Release of Special Tax Lien recorded against the property, (iii) Parcels developed with non-residential land uses if such Parcels are not determined to be Taxable Non-Residential Property, (iv) Parcels of Affordable Multi-Family Property, and (v) Parcels that, in the City's sole discretion, do not have

Development Rights and, because of this lack of Development Rights, are not able to develop until a future BUA Release takes place.

**G. PREPAYMENT OF SPECIAL TAX**

The following definitions apply to this Section G:

**“Future Facilities Costs”** means the Public Facilities Requirement (as defined below) minus public facility costs funded by Previously Issued Bonds (as defined below), interest earnings on the construction fund actually earned prior to the date of prepayment, Special Taxes collected to directly fund authorized facilities, developer equity, and/or any other source of funding.

**“Outstanding Bonds”** means all Previously Issued Bonds that remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding, that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of **“Outstanding Bonds”** for purposes of the prepayment formula.

**“Previously Issued Bonds”** means all Bonds that have been issued with respect to CFD No. 2004-1 prior to the date of prepayment.

**“Public Facilities Requirement”** means either \$30,500,000 in 2004 dollars, which shall increase by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) three percent (3%) on January 1, 2004, and on each January 1 thereafter, or such other number as shall be determined by the City as sufficient to fund public facilities to be provided by CFD No. 2004-1 under the authorized bonding program for CFD No. 2004-1. Notwithstanding the foregoing, after each BUA Release, the Administrator shall recalculate the Public Facilities Requirement to include the estimated public facilities costs that will be funded by the increased Expected Maximum Special Tax Revenue that is generated from the Residential Units and High Density Acres that were added to the Expected Land Uses by the BUA Release. In addition, a separate Public Facilities Requirement shall be identified by the City for property that annexes into CFD No. 2004-1 in future years.

The Special Tax obligation applicable to an Assessor’s Parcel in CFD No. 2004-1 may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that (i) a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment, and (ii) the Special Tax obligation shall not be fully released from a Parcel if such Parcel is expected to be subject to a Special Tax levy after a future BUA Release. An owner of an Assessor’s Parcel

intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 60 days prior to any interest payment date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

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

Bond Redemption Amount  
plus: Future Facilities Amount  
plus: Redemption Premium  
plus: Defeasance Requirement  
plus: Administrative Fees and Expenses  
plus: Reserve Fund Credit  
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

**Step 1.** Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the District. The Maximum Special Tax for the Parcel shall include the Expected Units/Acres assigned to the Parcel from all BUA Releases that have taken place as of the date the prepayment is calculated.

If this Section G is being applied to effect a mandatory prepayment pursuant to Section C above, use, for purposes of this Step 1, the amount by which the Expected Maximum Special Tax Revenues have been reduced due to the Unit Deficit or change in Specific Plan Land Use Designation that required the mandatory prepayment.

**Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the then-current Expected Maximum Special Tax Revenues for the entire CFD, which shall take into account the Maximum Special Tax Revenues that can be collected from the Expected Units/Acres from all BUA Releases that have taken place as of the date the prepayment is calculated.

**Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "*Bond Redemption Amount*").

**Step 4.** Compute the current Future Facilities Costs.

- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Future Facilities Costs to be prepaid (the “*Future Facilities Amount*”).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “*Redemption Premium*”).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8.** Compute the amount of interest the City reasonably expects to derive from the reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9.** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the “*Defeasance Requirement*”).
- Step 10.** The administration fees and expenses of CFD No. 2004-1 are as calculated by the City and include the costs of computing the prepayment, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “*Administrative Fees and Expenses*”).
- Step 11.** A reserve fund credit shall be calculated equal to the amount of the reduction, if any, in the applicable reserve fund for the Outstanding Bonds to be made as a result of the redemption of Bonds pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).

**H. INTERPRETATION 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 apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City’s discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method.

**ATTACHMENT 1**  
**EXPECTED UNITS/ACRES AND**  
**EXPECTED MAXIMUM SPECIAL TAX REVENUES**  
**FOR ORIGINAL PARCELS**

<b>Developer or Owner as of CFD Formation</b>	<b>Assessor's Parcel Number for Original Parcel</b>	<b>Land Use Designation<sup>1</sup></b>	<b>Expected Residential Units after First BUA Release or High-Density Acres<sup>1</sup></b>	<b>Base Maximum Special Tax (FY 2004-05)<sup>2</sup></b>	<b>Expected Maximum Special Tax Revenue (FY 2004-05)<sup>2</sup></b>
Yolo Residential Investors	041-070-43	R-5	147 units	\$1,700/unit	\$249,900
		Duplex/Halfplex	20 units	\$1,400/unit	\$28,000
		R-15	2.1 acres	\$10,000/acre	\$21,000
Reverse Exchange Properties	042-010-57	R-5	42 units	\$1,700/unit	\$71,400
		Duplex/Halfplex	4 units	\$1,400/unit	\$5,600
		R-20	2.8 acres	\$9,200/acre	\$25,760
Heidrick	042-010-05	R-5	45 units	\$1,700/unit	\$76,500
		Duplex/Halfplex	14 units	\$1,400/unit	\$19,600
		R-25	3.5 acres	\$9,200/acre	\$32,200
KB Home North Bay	042-010-58	R-5	231 units	\$1,700/unit	\$392,700
		R-8	104 units	\$1,400/unit	\$145,600
		Duplex/Halfplex	46 units	\$1,400/unit	\$64,400
		Affordable Cluster	10 units	\$667/unit	\$6,670
HTW West Ventures	042-010-59	R-5	122 units	\$1,700/unit	\$207,400
		R-8	79 units	\$1,400/unit	\$110,600
		Duplex/Halfplex	26 units	\$1,400/unit	\$36,400
		R-20	8.75 acres	\$9,200/acre	\$80,500
Turn of the Century	042-010-44	R-4	81 units	\$1,900/unit	\$153,900
		R-5	204 units	\$1,700/unit	\$346,800
		R-8	5 units	\$1,400/unit	\$7,000
		Duplex/Halfplex	28 units	\$1,400/unit	\$39,200
		Affordable Cluster	10 units	\$667/unit	\$6,670
Turn of the Century	042-030-14	R-15	3.5 acres	\$10,000/acre	\$35,000
		R-3	49 units	\$1,975/unit	\$96,775
		R-4	114 units	\$1,900/unit	\$216,600
		Affordable Cluster	26 units	\$667/unit	\$17,342
Parlin Spring Lake 1	042-010-18	R-15	4.69 acres	\$10,000/acre	\$46,900
		R-20	4.38 acres	\$9,200/acre	\$40,296
Parlin Spring Lake 1	042-010-17	R-15	4.2 acres	\$10,000/acre	\$42,000
<b>Total Expected Maximum Special Tax Revenues</b>					<b>\$2,622,713</b>

1. Provided by the City of Woodland Planning Department based on review of proposed and approved tentative maps for each project.
2. On July 1, 2005 and on each July 1 thereafter, the Base Maximum Special Taxes and Expected Maximum Special Tax Revenues shown above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

**EXHIBIT C**

**ASSESSOR'S PARCEL NUMBERS AND  
OWNERS OF LAND INCLUDED IN  
CITY OF WOODLAND  
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (SPRING LAKE)**

<b>ASSESSOR PARCEL NUMBER</b>	<b>OWNER'S NAME</b>
041-070-43	Yolo Residential Investors, LLC
042-010-57	Reverse Exchange Properties, Inc.
042-010-05	Mildred Heidrick Trust
042-010-58	KB Home North Bay
042-010-59	HTW West Ventures, LLC
042-010-44 042-030-14	Turn of the Century, LLC
042-010-18-01 042-010-17-01	Parlin Spring Lake I LLC
042-010-08-01	Masud Monfared, et al