

## **RESOLUTION NO. 2025-013**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHINO, CALIFORNIA, DECLARING INTENTION TO ANNEX TERRITORY TO IMPROVEMENT AREA 5 OF COMMUNITY FACILITIES DISTRICT NO. 2003-3 OF THE CITY OF CHINO AND ADOPTING MAP OF AREAS PROPOSED TO BE ANNEXED THERETO (ANNEXATION NO. 9)**

**WHEREAS**, on May 6, 2008, the City Council of the City of Chino (the "City Council") adopted Resolution No. 2008-21 (the "Resolution of Formation") to form Improvement Area No. 5 ("Improvement Area 5") of Community Facilities District No. 2003-3 of the City of Chino (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and the Community Facilities District has been established for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services which are necessary to meet increased demands placed upon the City of Chino (the "City") as a result of the development of said real property; and

**WHEREAS**, in March, 2013, the City annexed certain territory to Improvement Area 5 ("Annexation No. 1"), in January, 2019, the City annexed certain additional territory to Improvement Area 5 ("Annexation No. 2"), on May 22, 2019 the City annexed certain additional territory to Improvement Area 5 ("Annexation No. 3"), on July 2, 2019 the City annexed certain additional territory to Improvement Area 5 ("Annexation No. 4"), on December 3, 2019 the City annexed certain additional territory to Improvement Area 5 ("Annexation No. 5"), on April 7, 2020 the City annexed certain additional territory to Improvement Area No. 5 ("Annexation No. 6"); on October 18, 2022 the City annexed certain additional territory to Improvement Area No. 5 ("Annexation No. 7"); and on October 17, 2023 the City annexed certain additional territory to Improvement Area No. 5 ("Annexation No. 8"); and

**WHEREAS**, the City has received a petition from Chino Preserve Development Corporation, a California corporation (the "Owner"), the owner of the territory described in Exhibit A attached hereto (the "Proposed Annexation Area"), requesting that such property be annexed to Improvement Area 5 of the Community Facilities District, and agreeing to the annual levy of special taxes on such property sufficient to pay the costs of such services and costs incidental thereto; and

**WHEREAS**, the City Council, acting as the legislative body of the Community Facilities District, is authorized by Article 3.5 of the Act to annex territory to Improvement Area 5 of the Community Facilities District by complying with the procedures set forth in said Article 3.5 of the Act;

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CHINO AS FOLLOWS:**

Section 1. Intention. The City Council declares its intention to conduct proceedings pursuant to said Article 3.5 of the Act for the annexation to Improvement Area 5 of the Community Facilities District of the Proposed Annexation Area. The City Council determines that the public convenience and necessity require that such Proposed Annexation Area be annexed to Improvement Area 5 of the Community Facilities District.

Section 2. Name of the Community Facilities District. The name of the existing Community Facilities District is Improvement Area 5 of Community Facilities District No. 2003-3 of the City of Chino, County of San Bernardino, State of California.

Section 3. Description of Territory Proposed To Be Annexed; Annexation Map. The territory which is included in the Community Facilities District is described on the Fourth Amended Map of the Community Facilities District recorded on December 3, 2013 in Book 86 of Maps of Assessment and Community Facilities Districts, pages 1-7, and as Instrument No. 2013-0519677 of the official records of the County of San Bernardino. The Proposed Annexation Area proposed to be annexed to Improvement Area 5 of the Community Facilities District is described in Exhibit A attached hereto and by this reference made a part hereof. Such Proposed Annexation Area is also shown and described on the map thereof entitled "Annexation Map No. 9, Community Facilities District No. 2003-3 Improvement Area 5 of City of Chino, County of San Bernardino, State of California," which is on file with the City Clerk (the "Annexation Map").

Section 4. Types of Services; Incidental Expenses; Plan for Providing Services. The services to be provided and financed by Improvement Area 5 of the Community Facilities District (the "Services") consist of services permitted under the Act and described in Exhibit A to Resolution No. 2008-021 of the City Council adopted on May 6, 2008 (the "Resolution of Formation"), including, without limitation, maintenance of parks, parkways and open space; flood and storm protection services; the operation of storm drainage systems; and public safety services, within or for the benefit of Improvement Area 5 of the Community Facilities District. The Community Facilities District shall also finance costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such services and costs otherwise incurred in order to carry out its authorized purposes. The services described above shall be provided, as needed, throughout Improvement Area 5 of the Community Facilities District and the Proposed Annexation Area for the benefit of all owners of property and residents of Improvement Area 5 of the Community Facilities District and the Proposed Annexation Area, and any other territory annexed thereto. All owners of taxable parcels of property within Improvement Area 5 of the Community Facilities District and the Proposed Annexation Area shall pay special taxes at the same rate to finance the annual cost of providing such services in accordance with the Rate and Method of Apportionment attached hereto as Exhibit C.

Section 5. Special Taxes. Except where funds are otherwise available, special taxes sufficient to pay the costs of the services described in Section 4 above and the annual administrative expenses of Improvement Area 5 of the Community Facilities District in determining, apportioning, levying and collecting such special taxes, shall be annually levied within the Proposed Annexation Area. Pursuant to Section 53340 of the Act, the special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes. However, under no circumstances shall the special tax levied against any parcel subject to the levy of the special tax be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District by more than ten (10) percent. The rates and method of apportionment of said special taxes shall be as set forth in Exhibit C attached hereto and by this reference made a part hereof. The rate of special tax to be levied on property within the Proposed Annexation Area in any fiscal year to pay the cost of the services described in Section 4 above shall be equal to the rate of special tax which will be levied on all other property

within Improvement Area 5 of the Community Facilities District to pay the cost of such services in such fiscal year.

Section 6. Adoption of Annexation Map. Pursuant to Section 3110.5 of the California Streets and Highways Code, the City Council adopts the Annexation Map as the map of the Proposed Annexation Area to Improvement Area 5 of the Community Facilities District. Pursuant to Section 3111 of said Code, the Clerk of the City (the "City Clerk") shall file the original of the Annexation Map in her office and shall file a copy of the Annexation Map with the County Recorder of the County of San Bernardino no later than 15 days prior to the date of the public hearing specified in Section 8 below.

Section 7. Hearing. A public hearing on the Proposed Annexation Area to Improvement Area 5 of the Community Facilities District shall be held at 6:00 p.m. on May 20, 2025 in the Council Chambers of the City Council of the City of Chino, 13220 Central Avenue, Chino, California.

Section 8. Notice. The City Clerk shall publish a notice of the time and place of said hearing as required by Section 53322 of the Act, and shall also give notice of the hearing by first class mail to each registered voter and landowner within the territory proposed to be annexed to the Community Facilities District as prescribed by Section 53339.4 of the Act. Said notice shall (i) be published in a newspaper of general circulation within the City at least seven (7) days prior to the date fixed for the public hearing, (ii) be mailed by first-class to the landowner within the Proposed Annexation Area, and (iii) contain the information required by Section 53339.4 of the Act.

Section 9. Description of Voting Procedures. The voting procedures to be followed in conducting the election on the proposition with respect to the levy of special taxes within the Proposed Annexation Area to pay for the Services thereof shall be as follows:

1. If at the time of the close of the public or protest hearing (hereinafter referred to as the "protest hearing") at least 12 persons are registered to vote within the Proposed Annexation Area, the election shall be conducted by the Registrar of Voters of the County of San Bernardino and shall be held on a date selected by the City Council in conformance with the provisions of Section 53326 of the Act and pursuant to the applicable provisions of law regulating elections of the City, insofar as they may be applicable, and pursuant to Section 53326 of the Act the ballots for the election shall be distributed to the qualified electors of the Proposed Annexation Area by mail with return postage prepaid and the election shall be conducted as a mail ballot election.

2. If at the time of the close of the protest hearing, and for at least the preceding 90 days, less than 12 persons have been registered to vote within the Proposed Annexation Area, and pursuant to Section 53326 of the Act, the vote is therefore to be by the landowner of the Proposed Annexation Area, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns, the election shall be conducted by the City Clerk as follows:

(a) The election shall be held on the earliest date following the conclusion of the protest hearing upon which it can be held pursuant to Section 53326 of the Act which may be selected by the City Council, or such earlier date as the Owner of land within the Proposed Annexation Area and the City Clerk agree and concur is acceptable.

(b) Pursuant to Section 53326 of the Act, the election may be held earlier than 90 days following the close of the protest hearing if the qualified electors within the Proposed Annexation Area waive the time limits for conducting the election set forth in said Section 53326 by unanimous written consent and the City Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(c) Pursuant to Section 53326 of the Act, ballots for the election shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid or by personal service.

(d) Pursuant to applicable provisions of law regulating elections of the City which govern the conduct of mail ballot elections, and Division 4 (commencing with Section 4000) of the California Elections Code with respect to elections conducted by mail, the City Clerk shall mail or deliver to each qualified elector an official ballot in a form specified by the City Council in the resolution calling the election, and shall also mail or deliver to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a statement pursuant to Section 9401 of the said Code, an impartial analysis by the City Attorney pursuant to Section 9314 of the said Code with respect to the ballot proposition contained in the official ballot, ballot arguments and rebuttals, if any, pursuant to Sections 9315 to 9317, inclusive, of said Code, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and a copy of this resolution and the exhibits hereto; provided, however, that if the vote in the election is to be by the landowner of the Proposed Annexation Area, such statement, analysis and arguments may be waived with the unanimous consent of all the landowner and shall be so stated in the resolution adopted by the City Council calling the election.

(e) The official ballot to be mailed or delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the proposition set forth in the official ballot as marked thereon in the voting square opposite such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within the Proposed Annexation Area.

(f) The return identification envelope delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, the date of signing and place of execution of said declaration, and (vi) a notice that the envelope contains an official ballot and is to be opened only by the City Clerk.

(g) The information-to-voter form to be mailed or delivered by the City Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 5 o'clock p.m. on the date of the election; provided that the election shall be closed before such hour if the Clerk determines that all qualified voters have voted.

(h) Upon receipt of the return identification envelopes which are returned prior to the voting deadline on the date of the election, the City Clerk shall canvass the votes cast in the election and shall file a statement with the City Council regarding the results of such canvass and the election.

The procedures set forth in this section for conducting the election may be modified as the City Council may determine to be necessary or desirable by a resolution subsequently adopted by the City Council.

PASSED AND ADOPTED by the City Council at a regular meeting held on the 15th day of April 2025.

CITY COUNCIL OF THE CITY OF CHINO

By: \_\_\_\_\_  
Eunice M. Ulloa,  
Mayor of the City of Chino

ATTEST:

\_\_\_\_\_  
Natalie Gonzaga  
City Clerk of the City of Chino

STATE OF CALIFORNIA                    )  
COUNTY OF SAN BERNARDINO        )ss.  
CITY OF CHINO                            )

I, NATALIE GONZAGA, City Clerk of the City of Chino, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Chino at a regular meeting held on the 15th day of April 2025, by the following votes:

AYES:            COUNCIL MEMBERS

NOES:            COUNCIL MEMBERS

ABSENT:         COUNCIL MEMBERS

\_\_\_\_\_  
NATALIE GONZAGA, CITY CLERK

Attachments: Exhibits A, B and C

## EXHIBIT A

### DESCRIPTION OF THE PROPOSED ANNEXATION AREA

The property in the City of Chino, County of San Bernardino, California, identified by the San Bernardino County Assessor as Assessor's Parcel Nos.:

<i>OWNER</i>	<i>APN NUMBERS</i>	<i>APPROXIMATE ACREAGE</i>
Chino Preserve Development Corporation	1057-441-04-0000	
	TOTAL ACREAGE:	<u>9.25</u>

## **EXHIBIT B**

### **DESCRIPTION OF PUBLIC FACILITIES AND SERVICES**

#### **TYPES OF PUBLIC FACILITIES**

No Public Facilities are proposed to be funded by Improvement Area 5 of Community Facilities District No. 2003-3.

#### **TYPES OF SERVICES**

The types of Services that are proposed to be provided by Improvement Area 5 of Community Facilities District No. 2003-3 and funded with the proceeds of special taxes levied by Improvement Area 5 of Community Facilities District No. 2003-3 consist of services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, maintenance of parks, parkways and open space; flood and storm protection services; the operation of storm drainage systems; and public safety services. All of the services financed must be provided within the boundaries of or for the benefit of Improvement Area 5 of Community Facilities District No. 2003-3, and any territory annexed thereto.



## EXHIBIT C

### RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2003-3 OF THE CITY OF CHINO (Improvement Area No. 5)

The following sets forth the Rate and Method of Apportionment for the levy and collection of Annual Special Tax A in Improvement Area No. 5 of the City of Chino ("City") Community Facilities District No. 2003-3 ("CFD No. 2003-3"). An Annual Special Tax A shall be levied on and collected in Improvement Area No. 5 of CFD No. 2003-3 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property within Improvement Area No. 5, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

## SECTION 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 the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the land area is not shown on the applicable Final Map, the land area shall be calculated by the City Engineer.

**"Act"** means the Mello-Roos Communities 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 any ordinary and necessary expenses allocable to the Special Tax A Requirement which are incurred by the City on behalf of Improvement Area No. 5 related to the determination of the amount of the levy of Special Tax A, the collection of Special Tax A including the expenses of collecting delinquencies, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of Improvement Area No. 5, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2003-3 relating to Improvement Area No. 5.

**"Annual Special Tax A"** means the Special Tax A actually levied in any Fiscal Year on any Assessor's Parcel.

**"Apartment Property"** means all Assessor's Parcels of Residential Property on which one or more Apartment Units are constructed. In cases where an Apartment Unit has been included in its own Assessor's Parcel through the recordation of a condominium map or similar instrument that creates individual lots for which building permits may be issued without further subdivision, each Assessor's Parcel associated with an individual lot created will be classified as Apartment Property and taxed accordingly, unless a Builder Notice has been filed with the City, in which case, each Assessor's Parcel associated with an individual lot created will be classified as Single Family Property and taxed accordingly.

**“Apartment Unit”** means a dwelling unit within a building comprised of attached residential units available for rental by the general public, not for sale to an end user, and under common management.

**“Approved Property”** means all Assessor’s Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to the March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have not been issued a building permit on or before March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax A is being levied.

**“Assessor’s Parcel”** means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of Improvement Area No. 5.

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

**“Assessor’s Parcel Number”** means that number assigned to an Assessor’s Parcel by the County for purposes of identification.

**“Builder Notice”** means a certified written notice to the Finance Director of the City filed by the owner of the Assessor’s Parcels within a Final Map at or prior to the time the Final Map is recorded stating that residential uses, other than Apartment Units, are planned to be constructed within such Final Map area.

**“Building Square Footage” or “BSF”** means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Assessor’s Parcel and subject to verification by City Staff.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“CFD No. 2003-3”** means Community Facilities District No. 2003-3 established by the City under the Act.

**“City Council”** means the City Council of the City of Chino, acting as the Legislative Body of CFD No. 2003-3, or its designee.

**“County”** means the County of San Bernardino.

**“Developed Property”** means all Assessor’s Parcels of Taxable Property that: (i) are included in a Final Map that was recorded prior to March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax A is being levied, and (ii) a building permit was issued on or before March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax A is being levied.

**“Exempt Property”** means all Assessor’s Parcels designated as being exempt from Special Tax A as provided for in Section G.

**“Final Map”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

**“Fiscal Year”** means the period commencing July 1 of any year and ending the following June 30.

**“Improvement Area No. 5”** means Improvement Area No. 5 of CFD No. 2003-3, as identified on the third amended boundary map for CFD No. 2003-3.

**“Maximum Special Tax A”** means the Maximum Special Tax A, determined in accordance with Section C that can be levied by CFD No. 2003-3 within in any Fiscal Year on any Assessor’s Parcel.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit was issued for any type of non-residential use.

**“Proportionately,”** in the case of Special Tax A, means that the ratio of the Annual Special Tax A levy to the applicable Maximum Special Tax A is equal for all applicable Assessor’s Parcels.

**“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.

**“Services”** means services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, maintenance of parks, parkways and open space; flood and storm protection services; the operation of storm drainage systems; and public safety services. All of the services financed must be provided within the boundaries of or for the benefit of CFD No. 2003-3.

**“Single Family Property”** means all Assessor’s Parcels of Residential Property other than Apartment Property.

**“Single Family Unit”** means a dwelling unit other than an Apartment Unit.

**“Special Tax A”** means any of the special taxes authorized to be levied within CFD No. 2003-3 pursuant to the Act to fund the Special Tax A Requirement.

**“Special Tax A Requirement”** means that amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2003-3 in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the direct costs for (i) Services, and (ii) Administrative Expenses. Under no circumstances shall the Special Tax A Requirement include funds for Bonds.

**“Taxable Property”** means all Assessor’s Parcels within Improvement Area No. 5, which are not Exempt Property.

**“Undeveloped Property”** means all Assessor’s Parcels of Taxable Property which are not Developed Property or Approved Property.

## **SECTION B**

### **CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2008-09, each Assessor’s Parcel within Improvement Area No. 5 shall be classified as Taxable Property or Exempt Property. In

addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, or Undeveloped Property. In addition, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property. Lastly, each Assessor's Parcel of Residential Property shall further be classified as Single Family Property or Apartment Property, and the Building Square Footage of each Single Family Unit or Apartment Unit within each such Assessor's Parcel shall be determined.

## SECTION C

### MAXIMUM SPECIAL TAX A

#### 1. Developed Property

##### Maximum Special Tax A

The Maximum Special Tax A for each Assessor's Parcel of Developed Property for each Land Use Type is shown below in Table 1.

TABLE 1  
Maximum Special Tax A for Developed Property

Land Use Type	Building Square Footage	Rate
Single Family Unit	Less than 1,050	\$223 per Unit
Single Family Unit	1,050– 1,199	\$242 per Unit
Single Family Unit	1,200 – 1,349	\$261 per Unit
Single Family Unit	1,350 – 1,499	\$280 per Unit
Single Family Unit	1,500 – 1,649	\$299 per Unit
Single Family Unit	1,650 – 1,799	\$319 per Unit
Single Family Unit	1,800 – 1,949	\$339 per Unit
Single Family Unit	1,950 – 2,099	\$359 per Unit
Single Family Unit	2,100 – 2,249	\$379 per Unit
Single Family Unit	2,250 – 2,399	\$399 per Unit
Single Family Unit	2,400 – 2,549	\$419 per Unit
Single Family Unit	2,550 – 2,699	\$439 per Unit
Single Family Unit	2,700 – 2,849	\$459 per Unit
Single Family Unit	2,850 – 2,999	\$479 per Unit
Single Family Unit	3,000 – 3,149	\$499 per Unit
Single Family Unit	3,150 – 3,299	\$519 per Unit
Single Family Unit	3,300 – 3,449	\$540 per Unit
Single Family Unit	3,450 – 3,599	\$561 per Unit
Single Family Unit	3,600 – 3,749	\$582 per Unit
Single Family Unit	3,750 or Greater	\$603 per Unit
Apartment Unit	Less than 850	\$108 per Unit
Apartment Unit	850-1,049	\$123 per Unit
Apartment Unit	1,050 or greater	\$138 per Unit
Non-Residential Property	N/A	\$1,450 per Acre

**2. Approved Property and Undeveloped Property**

No Special Tax A shall be levied on Approved Property and Undeveloped Property.

**SECTION D**

**METHOD OF APPORTIONMENT OF THE MAXIMUM SPECIAL TAX A**

Commencing with Fiscal Year 2008-09 and for each following Fiscal Year, the City shall levy the Special Tax A at up to 100% of the applicable Maximum Special Tax A, Proportionately on each Assessor's Parcel of Developed Property until the amount of Special Tax A equals the Special Tax A Requirement.

**SECTION E**

**PREPAYMENT OF ANNUAL SPECIAL TAX A**

The Special Tax A cannot be prepaid.

**SECTION F**

**TERM OF SPECIAL TAX A**

For each Fiscal Year, the Special Tax A shall be levied in perpetuity as long as the Services are being provided.

**SECTION G**

**EXEMPTIONS**

The City shall classify Exempt Property within Improvement Area 5 as (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by the State of California, Federal or other local governments, including school districts, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels which are privately owned and are encumbered by or restricted solely for public uses or classified as Agricultural Buffer Property, or (vi) other types of public uses determined by the City Council.

**SECTION H**

**APPEALS**

Any property owner claiming that the amount or application of the Special Tax A is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax A that is disputed. A representative(s) of CFD No. 2003-3 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax A, and rule on the appeal. If the representative's decision requires that the Special Tax A for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an

adjustment shall be made to the Annual Special Tax A on that Assessor's Parcel in the subsequent Fiscal Year(s).

**SECTION I**  
**MANNER OF COLLECTION**

The Annual Special Tax A shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2003-3 may collect the Annual Special Tax A at a different time or in a different manner if necessary to meet its financial obligations.