

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR SERVICES FOR IMPROVEMENT AREA NO. 11 OF COMMUNITY FACILITIES DISTRICT NO. 93-1 OF THE CITY OF BEAUMONT

A "Special Tax for Services" shall be levied on and collected in Improvement Area No. 11 of Community Facilities District No. 93-1 of the City of Beaumont ("CFD No. 93-1") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the appropriate Special Tax for Services for "Developed Property" as described below. All of the property in Improvement Area No. 11 of CFD No. 93-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided. The Special Tax for Services is in addition to the "Special Tax for Facilities" described in the "Original Rate and Method of Apportionment."

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"**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**" shall mean any ordinary and necessary expenses of the City to carry out the administration of the Special Tax for Services for Improvement Area No. 11 of CFD No. 93-1.

"**Assessor's Parcel**" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"**Apartment**" means a single dwelling unit within Developed Property of building or buildings comprised of attached residential units, all of which are made available for rental by the general public, exclusive of condominiums.

"**Assessor's Parcel Map**" means an official map of the County Assessor of the County of Riverside designating parcels by Assessor's Parcel number.

"**Assigned Special Tax for Services**" means the Special Tax for Services for each Land Use Class, as determined by reference to Table 1 of Section C below.

"**City**" means the City of Beaumont, California.

"**Commercial Property**" means all Developed Property for which the building permit was issued for non-residential use.

"**Consumer Price Index**" means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Anaheim-Riverside area.

"**Council**" means the City Council of the City of Beaumont, acting as the legislative body of Improvement Area No. 11 of CFD No. 93-1.

"**County**" means the County of Riverside, California.

"**Developed Property**" means all Taxable Property for which a building permit has been issued as of the March 1 preceding the Fiscal Year for which the Special Tax for Services is being levied, exclusive of Public Property, Religious Property and Owner Association Property.

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

"**Improvement Area No. 11**" means the area designated as Improvement Area No. 11 on the boundary map of CFD No. 93-1.

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

"**Maximum Special Tax for Services**" means the maximum Special Tax for Services, determined in accordance with Section C, that can be levied by the Council in any Fiscal Year for each Land Use Class of Developed Property.

"**Original Rate and Method of Apportionment**" means the Rate and Method of Apportionment of the Special Tax approved by the qualified electors of Improvement Area No. 11 in July 1993.

"**Owner Association Property**" means any property within the boundaries of Improvement Area No. 11 of CFD No. 93-1 owned by or dedicated to an owner association.

"**Public Property**" means any property within the boundaries of Improvement Area No. 11 of CFD No. 93-1 owned by or dedicated to the federal government, State of California or other public agency.

"**Religious Property**" means all property within the boundaries of Improvement Area No. 11 of CFD No. 93-1 which is exempt from ad valorem property taxes because it is owned by a religious organization.

"**Single Family Residential**" means any Assessor's Parcel of Developed Property, other than Apartments, for which the building permit was issued for purposes of constructing a residential dwelling unit(s), including detached, attached, and condominium units and structures.

"**Special Tax for Facilities**" means the Special Tax described in the Original Rate and Method of Apportionment.

"**Special Tax for Services**" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property to fund the Special Tax Requirement for Services.

"**Special Tax Requirement for Services**" means that amount required in any Fiscal Year to: (1) pay for Improvement Area No. 11's fair share of the maintenance of parkways, entryways, easements, open space areas, storm drain and flood control facilities (2) pay the Administrative Expenses, and (3) pay for anticipated delinquent special taxes for services (such delinquent special taxes shall be estimated based on the delinquency rate in Improvement Area No. 11 of CFD No. 93-1 for the previous Fiscal Year). The fair share of these maintenance costs shall be determined each Fiscal Year at the sole discretion of the Council.

"**Taxable Property**" means all of the Assessor's Parcels within the boundaries of Improvement Area No. 11 of CFD No. 93-1 which are not exempt from the Special Tax for Services pursuant to law or Section E below.

"**Undeveloped Property**" means all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, all Taxable Property within Improvement Area No. 11 of CFD No. 93-1 shall be classified as Developed Property or Undeveloped Property, and shall be subject to tax in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

For purposes of determining the applicable Assigned Special Tax for Services for each Assessor's Parcel of Developed Property, all Developed Property shall be assigned to one of the Land Use Classes designated in Table 1 below. Single Family Units shall be assigned to Land Use Class 1. Apartment units shall be assigned to Land Use Class 2. Commercial Property shall be assigned to Land Use Class 3.

C. MAXIMUM SPECIAL TAX FOR SERVICES

1. Developed Property

a. Maximum and Assigned Special Tax for Services

The Maximum Special Tax for Services for each Assessor's Parcel classified as Developed Property shall be the Assigned Special Tax for

Services. The Fiscal Year 1996-97 Assigned Special Tax for Services for each Land Use Class is shown below in Table 1.

TABLE 1

**Assigned Special Taxes for Services for Developed Property in
Improvement Area No. 11 of
Community Facilities District No. 93-1 (Fiscal Year 1996-97)**

Land Use Class	Description	Assigned Special Tax
1	Single Family	\$135.04 per unit
2	Apartment	\$94.53 per unit
3	Commercial	\$579.31 per acre

b. Increases in the Maximum Special Tax for Services

On July 1 of each Fiscal Year, commencing July 1, 1997, the Assigned Special Tax for Services to be applicable to an Assessor's Parcel shall be changed from the amount in effect for the previous Fiscal Year by an amount equal to the percentage change in the Consumer Price Index for the calendar year ending in December of the prior Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR SERVICES

Commencing with Fiscal Year 1996-97 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement for Services to be collected from Taxable Property in Improvement Area No. 11 of CFD No. 93-1 in the Fiscal Year.

The Council shall levy the Special Tax for Services separately and in addition to the Special Tax for Facilities described in the Original Rate and Method of Apportionment. The Council shall levy the Special Tax for Services as follows until the amount of the levy equals the Special Tax Requirement for Services, subject to the limitations specified in Section C herein and Section 53321 of the Act.

The Special Tax for Services shall be levied in equal percentages on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax for Services for such Assessor's Parcel in an amount necessary to fund the Special Tax Requirement for Services.

E. EXEMPTIONS

The Council shall not levy a Special Tax for Services on the following:

- 1) Properties owned by entities of the State of California, federal or other public agencies except as otherwise provided in Sections 53317.3 and 53317.5 of the Act; and
- 2) Property designated as Public Property, Owner Association Property, or Religious Property.

F. APPEALS

Any landowner or resident who feels that the amount of the Special Tax for Services is in error may file a notice with CFD No. 93-1 appealing the levy of the Special Tax for Services. A representative of CFD No. 93-1 will then review the appeal and, if necessary, meet with the applicant. If the findings of the representative of CFD No. 93-1 verify that the amount of the Special Tax for Services should be modified or changed, then, as appropriate, the Special Tax for Services shall be corrected.

G. MANNER OF COLLECTION

The Special Tax for Services will be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, Improvement Area No. 11 of CFD No. 93-1 may collect Special Taxes for Services at a different time or in a different manner if necessary to meet its financial obligations and may covenant to foreclose on delinquent parcels as permitted by the Act.

H. TERM OF SPECIAL TAX

The Special Tax for Services shall be levied for as many years as required to meet the Special Tax Requirement for Services, as determined at the sole discretion of the Council.