

EXHIBIT C

COMMUNITY FACILITIES DISTRICT NO. 93-1 OF THE CITY OF BEAUMONT

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR SERVICES FOR IMPROVEMENT AREA NO. 23 (Canyon Ridge)

A "Special Tax for Services" as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 23 ("IA No. 23") of Community Facilities District No. 93-1 of the City of Beaumont ("CFD No. 93-1") and collected each Fiscal Year commencing in Fiscal Year 2006-2007, in an amount determined by the City Council through the application of the appropriate Special Tax for Services for "Developed Property," as described below. All of the real property in IA No. 23, 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 any ordinary and necessary expenses of the City to carry out the administration of the Special Tax for Services for IA No. 23.

"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.

"CFD No. 93-1" means City of Beaumont Community Facilities District No. 93-1.

"City" means the City of Beaumont.

“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-Riverside-Orange County area.

“Council” means the City Council of the City of Beaumont, acting as the legislative body of IA No. 23.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year, all Assessor’s Parcels within the boundaries of IA No. 23 which are not exempt from the Special Tax pursuant to law or Section E below, for which a building permit for new construction was issued as of June 30 of the prior Fiscal Year.

“Dwelling Unit” means each individual dwelling unit on a Residential Property, including single-family and multi-family dwelling units.

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

“Improvement Area No. 23” or “IA No. 23” means Improvement Area No. 23 as depicted 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 that can be levied within IA No. 23 by the City Council in any Fiscal Year for each Assessor’s Parcel of Developed Property.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for non-residential uses.

“Property Owner Association Property” means any property within the boundaries of IA No. 23 that is owned by or dedicated to a property owner association, including any master or sub-association.

“Public Property” means any property within the boundaries of IA No. 23 that is used for rights-of-way or any other purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County or any other public agency, 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.

“Religious Property” means all Assessor’s Parcels within IA No. 23 which is used as a place of worship and is exempt from *ad valorem* property taxes because it is owned by a religious organization.

“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.

“Special Tax for Services” means the special tax for Services 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 the amount determined in any Fiscal Year sufficient to pay the costs of IA No. 23, including: (i) IA No. 23’s fair share of the maintenance of the public landscape areas located around the perimeter of each tract included within IA No. 23 and the maintenance of parks, trails, parkways and drainage facilities, (ii) Administrative Expenses, and (iii) anticipated delinquent Special Taxes for Services based on the delinquency rate in IA No. 23 for the previous Fiscal Year.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Developed Property within IA No. 23 shall be subject to the Special Tax for Services in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

For purposes of determining the applicable Maximum 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.

C. MAXIMUM SPECIAL TAX RATE

a. Maximum Special Tax for Services

The Maximum Special Tax for Services for each Assessor’s Parcel shall be the Assigned Special Tax for Services. The Fiscal Year 2006-2007 Assigned Special Tax for Services for each Land Use Class is shown below in Table 1.

TABLE I
Maximum Special Taxes for Services for Developed Property
in Improvement Area No. 23 of
Community Facilities District No. 93-1 (Fiscal Year 2006-2007)

Land Use Class	Description	Maximum Special Tax for Services
1	Dwelling Unit	\$300 per dwelling unit
2	Non-Residential Property	\$1,600 per Acre

b. Increases in the Maximum Special Tax for Services

Commencing July 1, 2007 and each July thereafter, the Maximum Special Tax for Services for the prior Fiscal Year shall be adjusted 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

Commencing with Fiscal Year 2006-2007 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement for Services and shall levy the Special Tax for Services until the amount of the Special Taxes for Services equals the Special Tax Requirement for Services, subject to the limitations specified in Section C herein, as follows:

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 Maximum Special Tax for Services as needed to satisfy the Special Tax Requirement for Services.

Notwithstanding the above, under no circumstances will the Special Tax for Services levied against any Assessor's Parcel of Developed 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 the IA No. 23.

E. EXEMPTIONS

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

1. Property designated as Public Property or Property Owner Association Property.
2. 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.

F. REVIEW/APPEAL COMMITTEE

Any landowner or resident who feels that the amount of the Special Tax for Services levied on their Assessor's Parcel is in error may file a notice with CFD No. 93-1 appealing the amount of the Special Tax for Services levied on such Assessor's Parcel. A representative of CFD No. 93-1 shall 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 shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that 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 Assessor's Parcels as permitted by the Act.

H. TERM OF SPECIAL TAX

The Special Tax for Services shall be levied as long as it is needed to meet the Special Tax Requirement for Services, as determined at the sole discretion of the City Council.