

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
FRESNO, STATE OF CALIFORNIA, DECLARING ITS
INTENTION TO ANNEX FINAL TRACT MAP NO. 6387 AS
ANNEXATION NO. 004 AND TO AUTHORIZE THE LEVY
OF SPECIAL TAXES THEREIN

CITY OF FRESNO
COMMUNITY FACILITIES DISTRICT NO. 18
(PUBLIC SAFETY SERVICES)

WHEREAS, the City of Fresno (City) is a charter city and municipal corporation
duly created and existing under the Constitution and laws of the State of California; and

WHEREAS, under the terms of the City of Fresno Special Tax Financing law
(Chapter 8, Division 1, Article 3 of the Fresno Municipal Code), (the "Code") and the
Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California
Government Code; hereafter referred to as the "Act"), the City Council of the City of
Fresno (the "Council"), as the legislative body for the community facilities district and
any annexation hereto, has the authority to establish a community facilities district and
annex property to the community facilities district; and

WHEREAS, on December 1, 2022, the City Council of the City of Fresno adopted
Council Resolution No. 2022-279 establishing the City of Fresno Community Facilities
District No. 18 (CFD No. 18); and

WHEREAS, the original boundaries of CFD No. 18 are shown on the Boundary
Map of the City of Fresno Community Facilities District No. 18, recorded October 26,
2022, at Book 46, Pages 81 and 82 of Assessment and Community Facilities Districts in
the of Office of the Recorder, County of Fresno, California, a copy of which is on file in

1 of 7

Date Adopted:
Date Approved:
Effective Date:

City Attorney Approval:

498269v3



Resolution No. _____

the Office of the City Clerk of the City of Fresno (City Clerk); and

WHEREAS, the territory encompassing the existing CFD No. 18 is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, this City Council has received a Petition (including Waivers) from the landowner of Final Tract Map No. 6387 requesting to annex Final Tract Map No. 6387 to CFD No. 18, and the area proposed for annexation to CFD No. 18 is attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, the types of Services to be provided to Annexation No. 6387 by CFD No. 18, are specified in the document attached hereto as Exhibit C, and incorporated herein by this reference; and to provide for the costs of police and fire safety/protection/suppression services; and

WHEREAS, this City Council has previously adopted local goals and policies for the formation of community facilities districts within the City; and

WHEREAS, under the Code and the Act, this City Council is the legislative body for the proposed community facilities district and is empowered with the authority to establish the community facilities district and levy special taxes within the community facilities district; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Fresno, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The proposed boundaries of Annexation No. 004 are as shown on the map on file with the City Clerk, a copy of which is attached hereto as Exhibit B, which Exhibit is by this reference incorporated herein. The proposed boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of Annexation No. 004 in the office of the Fresno County Recorder no later than fifteen days after the adoption of this Resolution.

3. The type of services proposed to be funded by Annexation No. 004 by proceeds of the special tax shall consist of those services described in Exhibit C hereto, which Exhibit is by this reference incorporated herein (the "Services").

The City Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within Annexation No. 004. The Services are in addition to those provided in Annexation No. 004 as of the date hereof and will not supplant services already available within Annexation No. 004 as of the date hereof.

4. Except where funds are otherwise available, a special tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay, is described in Exhibit D attached hereto, which Exhibit is by this

reference incorporated herein. The special tax shall be levied perpetually until the collection of the special tax by the City ceases.

The City Council hereby determines that the Special Tax proposed to pay for Services to be supplied within Annexation No. 004 shall be equal to any special tax levied to pay for the same Services in the existing District, except that a higher or lower tax may be levied within Annexation No. 004 to the extent that the actual cost of providing the Services in Annexation No. 004 is higher or lower than the cost of providing those Services in the existing District. In so finding, City Council does not intend to limit its ability to levy a special tax within Annexation No. 004 to provide new or additional services beyond those supplied within the existing District.

5. This City Council finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the District.

6. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballots among the landowners in the proposed District, with each landowner having one vote for each acre or portion of an acre of land such landowner owns in the District.

A special tax shall be levied within Annexation No. 004 only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

7. Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California, and/or the City, or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of the District.

8. The Director of Finance of the City is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report required by Section 53321.5 of the Act presenting the following:

(a) A brief description of the Services.

(b) An estimate of the fair and reasonable initial annual cost of providing the Services, including the incidental expenses in connection therewith, any City administration costs and all other related costs.

Said report shall be made a part of the record of the public hearing provided for below. The Director of Finance may delegate to consultants the duty to perform the study and prepare the report.

9. Thursday, June 26, 2025, at 9:15 a.m. or as soon thereafter as the matter may be heard in the regular meeting place of this City Council at 2600 Fresno St, Fresno, CA 93721, or virtually as noticed by the City, are hereby appointed and fixed as the time and place when and where this City Council, as legislative body for the District, will conduct a public hearing on the annexation of Final Tract Map No. 6387 and consider and finally determine whether the public interest, convenience, and necessity require the formation of the District and the levy of said special tax.

10. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the District. The publication of said notice shall be completed at least seven (7) days before the date herein set for said hearing. The notice shall be in the form specified by Sections 53339.4 and 53322 of Chapter 2.5 of the California Government Code.

11. This Resolution shall be effective upon final approval.

Attachments:

Exhibit A: Original Boundaries of the District
Exhibit B: Annexation Map No. 004
Exhibit C: Description of Services
Exhibit D: Rate and Method of Apportionment of Special Tax

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, TODD STERMER, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____ 2025.

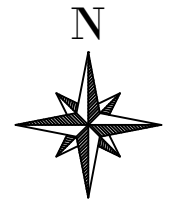
AYES :
NOES :
ABSENT :
ABSTAIN :

TODD STERMER, MMC
City Clerk

By: _____
Deputy Date

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Brent Richardson Date
Deputy City Attorney



NOT TO SCALE
February 6, 2023

COMMUNITY FACILITIES DISTRICT NO. 18

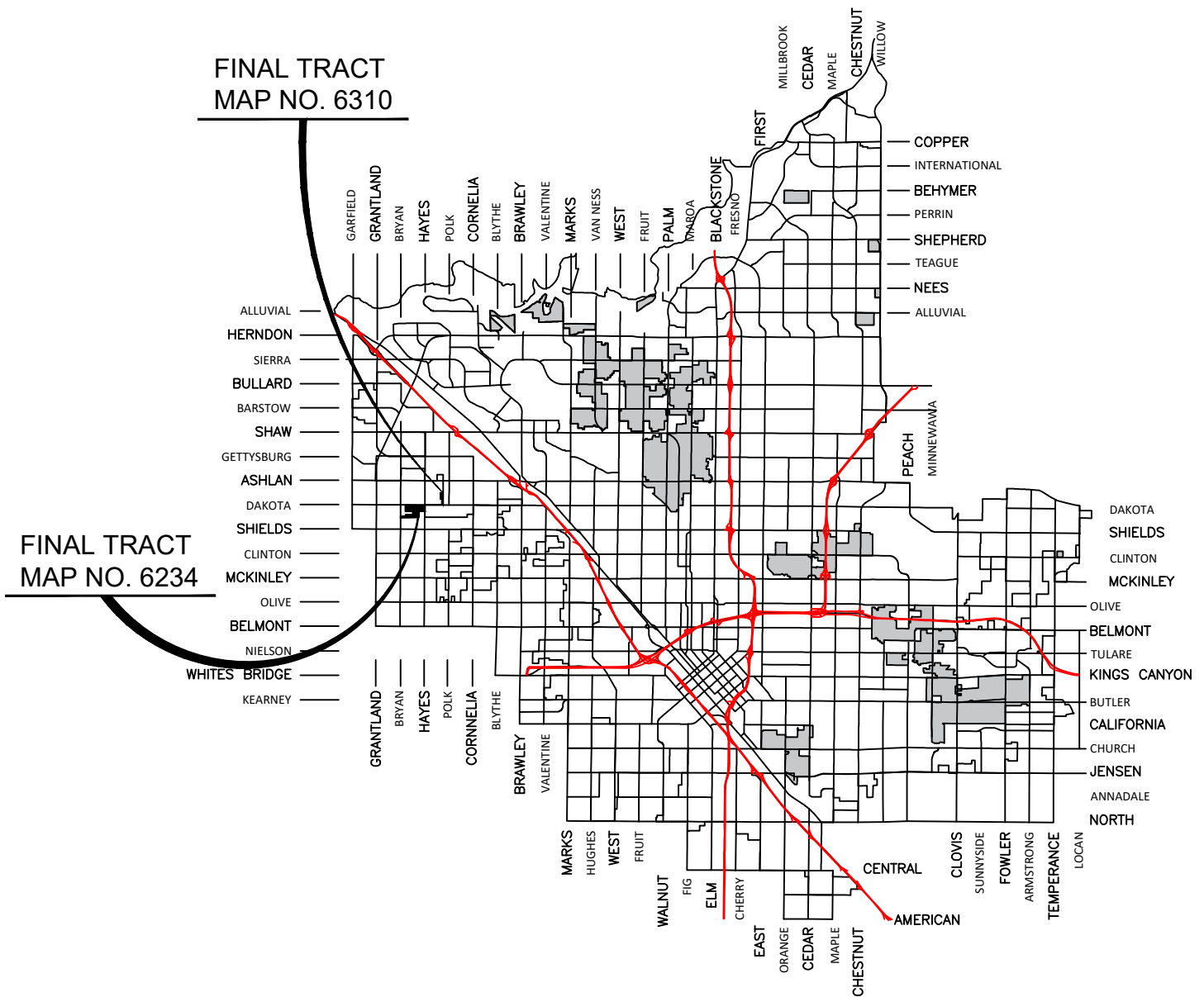
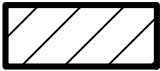


EXHIBIT A

EXHIBIT B



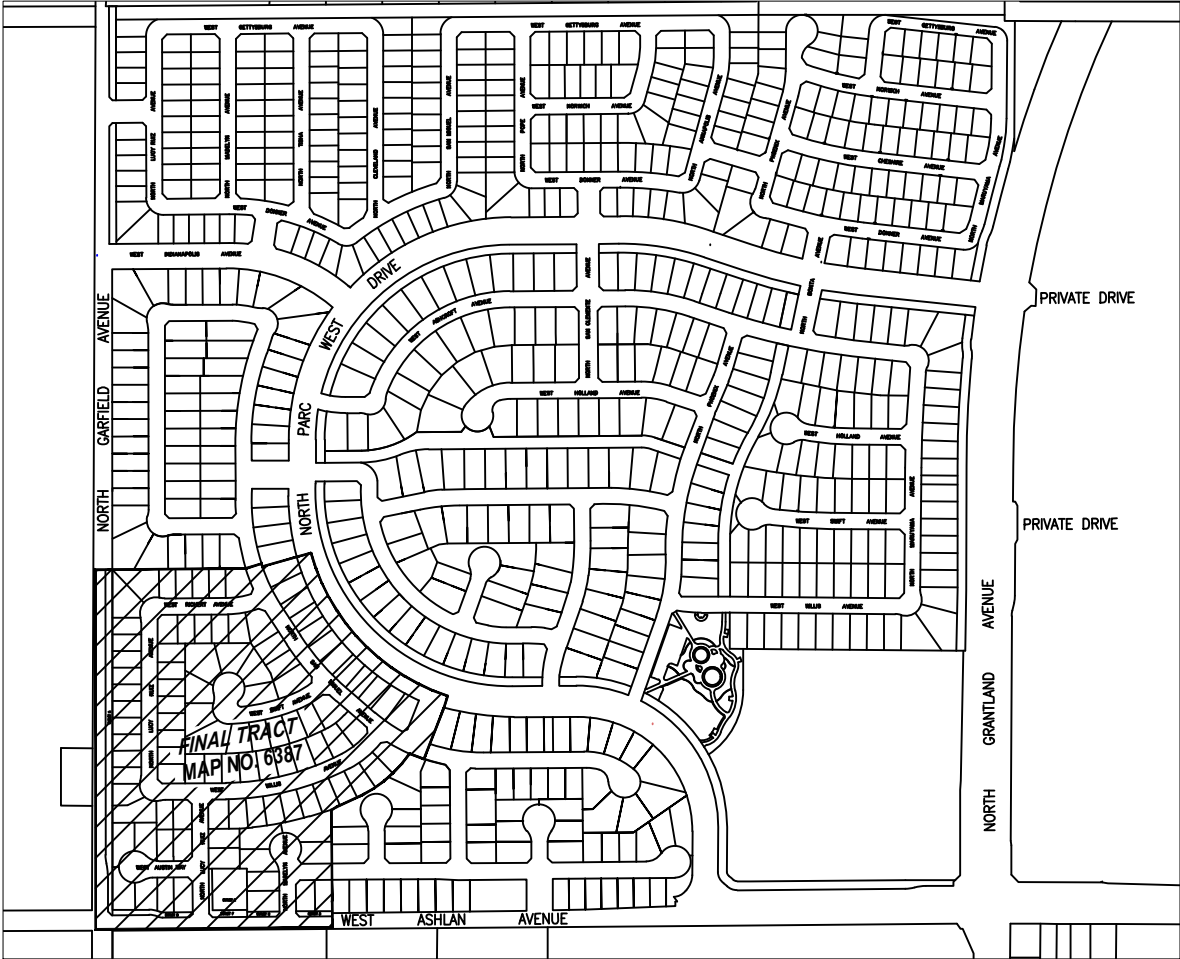
TERRITORY TO BE ANNEXED
TO THE CITY CFD NO. 18



BOUNDARY LINE OF NEW
TERRITORY



NOT TO SCALE



DOC. _____

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FRESNO THIS ____ DAY
OF _____, 2025.

ATTEST:

TODD STERMER, MMC
CITY CLERK OF THE CITY OF FRESNO



BY: _____
DEPUTY

I HEREBY CERTIFY THAT THE ANNEXATION MAP NO. 004 OF THE COMMUNITY
FACILITIES DISTRICT NO. 18, CITY OF FRESNO, COUNTY OF FRESNO, STATE OF
CALIFORNIA WAS ADOPTED BY THE COUNCIL OF THE CITY OF FRESNO BY
RESOLUTION NO. 2025- ____ ON _____, 2025.

ATTEST:

TODD STERMER, MMC
CITY CLERK OF THE CITY OF FRESNO



BY: _____
DEPUTY

THIS ANNEXATION MAP NO. 004 OF THE CITY OF FRESNO COMMUNITY
FACILITIES DISTRICT NO. 18, WAS FILED THIS ____ DAY OF _____, 2025
AT THE HOUR OF ____ O'CLOCK ____ M AT BOOK 47, PAGE ____ OF MAPS OF
ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE
COUNTY RECORDER IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA

PAUL DICTOS, C.P.A.
COUNTY RECORDER OF THE COUNTY OF FRESNO

BY: _____

EXEMPT FROM SB2 FEES PER GOVERNMENT CODE SECTION 27388.1(a)(2)(D)

REFERENCE: BOUNDARY MAP OF CITY OF FRESNO COMMUNITY FACILITIES
DISTRICT NO. 18, RECORDED OCTOBER 26, 2022 AT BOOK 46, PAGES 81 & 82
OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
THE RECORDER IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA

NOTE: FOR PARCEL DIMENSIONS, SEE ASSESSOR'S MAP BOOK PAGES

FILED/RECORDED
DATE
BY
FOR FILED IN
COUNTY OF

CITY OF FRESNO - Public Works Department

ANNEXATION MAP NO. 004 OF
COMMUNITY FACILITIES DISTRICT NO. 18
OF THE CITY OF FRESNO, FRESNO COUNTY,
CALIFORNIA

REVIEWED:
OFFICE ENG. _____ CITY ENG. _____
DR. BY: A. Gonzalez
CH. BY: _____
DATE: 4/11/25
SCALE: _____
SHEET NO. 1
OF 1 SHEETS
1-P-1510

EXHIBIT C

City of Fresno

Community Facilities District No. 18 (Public Safety Services)

Description of Services to be Financed by Community Facilities District No. 18 for Annexation No. 004 (Final Tract Map No. 6387)

Services:

The services to be funded, in whole or in part, by the District include all direct and incidental costs related to providing for the funding of public safety services within the area of the District. More specifically, the services shall include, but not be limited to, police and fire safety/protection/suppression services. The District may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District and will not supplant services already available within that territory when the District is created.

Administrative Expenses:

The administrative expenses to be funded by the District include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the City related to the District or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

Other:

The incidental expenses that may be funded by the District include, in addition to the administrative expenses identified above, the payment or reimbursement to the City of all costs associated with the establishment and administration of the District.

EXHIBIT D

Rate and Method of Apportionment for City of Fresno Community Facilities District No. 18 (Public Safety Services) Annexation No. 004

A Special Tax shall be levied and collected in City of Fresno Community Facilities District No. 18 (Public Safety Services) ("CFD No. 18") each Fiscal Year, in an amount determined by the application of the procedures below. All Taxable Property (as defined below) in CFD No. 18, 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 meaning:

"Accessory Dwelling Unit" or "ADU" means an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2 (j) (1), as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS.

"Act" means, collectively, Article 3 of Chapter 8 of the Municipal Code of the City and 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.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 18 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax;

EXHIBIT D

the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 18. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 18 for any other administrative purposes, including, but not limited to, attorney's fees.

“Annual Services Costs” means the respective annual amounts determined by the CFD Administrator as reasonably needed to fund services authorized to be funded by CFD No. 18 for the applicable yearly period.

“Annual Special Tax Requirement” means that amount with respect to CFD No. 18 determined by the CFD Administrator or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD No. 18, and (4) an amount equal to reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year (or as projected by the CFD Administrator for the first Fiscal Year Special Tax levy).

“Assessor’s Data” means Units or other information contained in the records of the County Assessor for each Assessor’s Parcel.

“Assessor’s Parcel” or **“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.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessment’s Parcel by the County Assessor for purposes of identification.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 18” means the City of Fresno Community Facilities District No. 18 (Public Safety Services).

“City” means the City of Fresno, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 18.

“County” means the County of Fresno, California.

“County Assessor” means the County Assessor of the County.

EXHIBIT D

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 18 for which a building permit for new construction was issued by the City prior to June 30 of the preceding Fiscal Year.

“Exempt Property” means all Assessors’ Parcels within the boundary of CFD No. 18 which are exempt from the Special Tax pursuant to Section E.

“Final Subdivision Map” means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

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

“GIS” means a geographic information system.

“Maximum Special Tax” means the maximum Special Tax authorized to fund the Annual Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C.

“Multi-Family Residential Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property with two or more Units that share a single Assessor’s Parcel Number, are offered for rent to the general public (or for resident manager purposes), and cannot be purchased by individual homebuyers, according to Assessor’s Data or as otherwise known by the CFD Administrator. Multi-Family Property also means, in any Fiscal Year, all Assessor’s Parcels of Developed Property with one Unit with a single Assessor’s Parcel Number that is a condominium pursuant the definition in Civil Code Section 4125 or a townhome.

“Open Space Property” means property within the boundaries of CFD No. 18 which (i) has been designated with specific boundaries and Acreage on a Final Subdivision Map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Property Owner’s Association” means any duly constituted property owner’s association. As used in this definition, a Property Owner’s Association includes any homeowner’s association, condominium owner’s association, master or sub-association or non-residential owner’s association.

“Property Owner’s Association Property” means any property within the boundaries of CFD No. 18 which is (a) owned by a Property Owner’s Association or (b) designated with

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specific boundaries and Acreage on a Final Subdivision Map as property owner association property.

“Proportionately” means for Taxable Property that the ratio of the Special Tax levy to the Maximum Special Tax is equal for all Assessors’ Parcels of Taxable Property levied within each land use category within CFD No. 18.

“Public Property” means any property within the boundaries of CFD No. 18 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a Final Subdivision Map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

“Single Family Residential Property” means all Assessor’s Parcels Developed Property for which a building permit(s) has been issued for a residential structure intended as a single primary Unit, or as a single primary Unit and an ADU.

“Special Tax(es)” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All the Taxable Property within CFD No. 18 at the time of its formation is within Tax Zone No. 1.*** Additional Tax Zones may be created when property is annexed to CFD No. 18, and a separate Maximum Special Tax shall be identified for property within each new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to CFD No. 18 shall be identified by Assessor’s Parcel number in the annexation documents at the time of annexation.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 18 that are not exempt from the Special Tax pursuant to law or Section E below.

“Undeveloped Property” means all of the Assessor’s Parcels of Taxable Property within the boundaries of CFD No. 18 that are not Developed Property.

“Unit” means any individual, townhome, condominium, apartment, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure, including ADUs.

“Welfare Exempt Property” means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 18 that have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code.

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B. DETERMINATION OF TAXABLE PARCELS

On, or about, July 1 of each Fiscal Year, the CFD Administrator shall determine the valid Assessor's Parcel Numbers for all property within CFD No. 18. If any Assessor's Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor's Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels is/are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor's Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Taxable Property; (iii) the number of Units each Parcel contains; (iv) the property type, i.e., Single Family Residential Property, Multi-Family Residential Property, etc.; and (v) the Annual Special Tax Requirement for the Fiscal Year.

C. MAXIMUM ANNUAL SPECIAL TAX RATES

The Maximum Special Taxes for each Assessor's Parcel of Taxable Property shall be assigned below:

1. Maximum Special Taxes

The Maximum Special Tax for each Assessor's Parcel of Taxable Property within Tax Zone No. 1 shall be assigned according to Table 1 below:

TABLE 1
MAXIMUM SPECIAL TAX RATES
TAX ZONE NO. 1 - FISCAL YEAR 2025-2026

Land Use Category	Maximum Special Tax	Per
Single Family Residential Property	\$164.00	Unit
Multi-Family Residential Property	\$134.00	Unit
Accessory Dwelling Unit	50% of the applicable Maximum Special Tax Rate for the property type of the primary property land use	Unit

On July 1 of each Fiscal Year, the Maximum Special Taxes for Tax Zone No. 1 shall be adjusted upward annually by 2% or by the rise in the Construction Cost Index (CCI) if it exceeds 2% for the San Francisco Region.

Different Maximum Special Taxes and tax escalation factors may be identified in Tax Zones added to CFD No. 18 as a result of future annexations.

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D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

All Taxable Property shall be subject to an annual Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD No. 18 by the method shown below.

First: Determine the Annual Special Tax Requirement.

Second: Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Special Tax.

Notwithstanding the foregoing, under no circumstances will the Special Taxes on any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 18.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Undeveloped Property, Open Space Property, Property Owner's Association Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Mello-Roos Community Facilities Act of 1982.

Welfare Exempt Property shall be exempt from the Special Tax in each Fiscal Year the property qualifies as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or

EXHIBIT D

changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT

The City Council may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, the classification of Assessor's Parcels, or any definition used herein, as long as such correction does not materially affect the levy and collection of Special Taxes. In addition, the interpretation and application of any section of this document shall be at the CFD Administrator's discretion.

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 18.

Special Taxes shall continue to be levied and collected within CFD No. 18, as needed to fund the Annual Special Tax Requirement, in perpetuity.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax may not be prepaid.

J. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Assessor's Parcels in CFD No. 18, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the authorized services for which the Special Tax was levied. The obligations to provide the authorized services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 18.