

ORDINANCE NO. 2717

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 6 (NORTHSHORE AT MANDALAY BAY) OF THE CITY OF OXNARD AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN SAID COMMUNITY FACILITIES DISTRICT

WHEREAS, on February 14, 2006, the City Council of the City of Oxnard (the "City Council") adopted a resolution entitled "Resolution of Intention of the City Council of the City of Oxnard to Establish Community Facilities District No. 6 (Northshore at Mandalay Bay) of the City of Oxnard and to Authorize the Levy of a Special Tax Within Said Community Facilities District" stating its intention to form Community Facilities District No. 6 (Northshore at Mandalay Bay) of the City of Oxnard (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") in order to finance certain facilities and incidental expenses as well as to pay for such facilities and for certain public services; and

WHEREAS, the City Council has held a noticed public hearing concerning the establishment of the Community Facilities District, as required by the Act; and

WHEREAS, subsequent to said hearing, the City Council adopted resolutions entitled "Resolution of the City Council of the City of Oxnard Establishing Community Facilities District No. 6 (Northshore at Mandalay Bay) of the City of Oxnard, Authorizing the Levy of a Special Tax Therein, Establishing an Appropriations Limit and Calling an Election" (the "Resolution of Formation") and "Resolution of the City Council of the City of Oxnard, Acting in its Capacity as the Legislative Body of Community Facilities District No. 6 (Northshore at Mandalay Bay) of the City of Oxnard, Determining the Necessity to Incur Bonded Indebtedness in an Amount Not to Exceed \$30,000,000 for Said Community Facilities District No. 6 and Calling an Election Therein" which resolutions established the Community Facilities District, authorized the levy of special taxes therein

00025

and called an election within the Community Facilities District on the propositions of levying special taxes, authorizing the issuance of bonds and establishing an appropriations limit; and

WHEREAS, an election was held within the Community Facilities District at which the qualified electors approved by more than a two-thirds vote the propositions of levying special taxes, issuing bonds and establishing an appropriations limit;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 6 (NORTHSHORE AT MANDALAY BAY) OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are all true and correct.

SECTION 2. By the passage of this Ordinance, the City Council authorizes the levy of a special taxes at the rates and in accordance with the method of apportionment set forth in Attachment A to the Resolution of Formation and which, for reference purposes, is attached hereto as Attachment A and incorporated herein (the "Rate and Method").

SECTION 3. The Finance and Management Services Director of the City of Oxnard, or his designee (the "Authorized Officer"), shall be responsible for annually preparing, or causing the preparation of, the current roll of special tax levy obligations by assessor's parcel number on non exempt property within the Community Facilities District. The City Council or, to the maximum extent permitted by law, the Authorized Officer is authorized to determine the specific special tax to be levied on each parcel of land in the Community Facilities District, in the manner and as provided in the Rate and Method. In connection with the foregoing, the Authorized Officer shall take any and all steps necessary in order to deliver to the Ventura County Tax Collector, on or before the date specified in Section 53340, a certified list of all parcels subject to the special tax levy, including the amount of the tax to be levied on each parcel for the applicable tax year. The special taxes to be

00026

levied shall not exceed the maximum rates set forth in the Rate and Method, but the special tax may be levied at lower rates.

SECTION 4. Properties of entities of the state, federal or other local governments shall be exempt from the above-referenced special taxes only to the extent set forth in the Rate and Method, and otherwise shall be subject to tax consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Ordinance.

SECTION 5. All of the collections of the special taxes shall be used only as provided for in the Act and the Resolution of Formation. The special taxes shall be levied only so long as needed to accomplish the purposes described in the Resolution of Formation.

SECTION 6. The special taxes shall be collected in the same manner as ordinary *ad valorem* taxes are collected and shall be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes as such collection procedure may be modified by law or the City Council from time to time. Notwithstanding the foregoing, the Authorized Officer may collect, or cause to be collected, one or more installments of the special taxes by means of direct billing of the property owners within the Community Facilities District if, in the judgment of the Authorized Officer, such means of collection will reduce the burden of administering the Community Facilities District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners.

SECTION 7. This Ordinance relating to the levy of the special tax shall take effect 30 days after its final passage in accordance with the provisions of Section 36937 of the Government Code, and the specific authorization for adoption is found in Section 53340 of the Government Code.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City, or by posting

00027

in three public places in the City, or published in a newspaper of general circulation printed and published in the City and circulated in the District.

APPROVED AND ADOPTED this ____ day of _____, 2006 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden
Mayor

ATTEST:

Daniel Martinez
City Clerk

(SEAL)

APPROVED AS TO FORM:


Gary Gillig, City Attorney

00028

ATTACHMENT A
RATE AND METHOD OF APPORTIONMENT

00029

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF OXNARD
COMMUNITY FACILITIES DISTRICT NO. 6
(NORTH SHORE AT MANDALAY BAY)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in City of Oxnard Community Facilities District No. 6 (North Shore at Mandalay Bay) ("CFD No. 6") and collected each Fiscal Year commencing in Fiscal Year 2006-2007, in an amount determined by the Council through the application of the appropriate Special Tax for "Developed Property," "Taxable Property Owner Association Property," "Taxable Public Property," and "Undeveloped Property" as described below. All of the real property in CFD No. 6, 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.

"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 the actual or reasonably estimated costs directly related to the administration of CFD No. 6 including, but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 6 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 6 or any designee thereof of complying with City, CFD No. 6 or obligated persons' disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 6 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; that portion of the City's overhead and staff time related to the administration of CFD No. 6; and the City's third party expenses related to CFD No. 6. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 6 for any other administrative purposes of CFD No. 6, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

00030

"Assessor's 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 Assessor of the County designating parcels by Assessor's Parcel number.

"Assigned Special Tax A" means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1 below.

"Backup Special Tax A" means the Special Tax A applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C.1 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 CFD No. 6 under the Act.

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

"CFD No. 6" means City of Oxnard Community Facilities District No. 6 (North Shore at Mandalay Bay).

"City" means the City of Oxnard.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 6.

"County" means the County of Ventura.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Property Owner Association Property, or Taxable Public Property, for which a building permit for new construction was issued after January 1, 2006 and prior to January 1 of the previous Fiscal Year.

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

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Table 1 or Table 2.

"Maximum Special Tax" means the Maximum Special Tax A and/or Maximum Special Tax B, as applicable.

"Maximum Special Tax A" means the Maximum Special Tax A, determined in accordance with Section C.1 below, that can be levied in any Fiscal Year on any Assessor's Parcel.

00031

"Maximum Special Tax B" means the Maximum Special Tax B, determined in accordance with Section C.2 below, that can be levied 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(s) was issued for a non-residential use.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Property Owner Association Property" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 6 that was owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, as of January 1 of the previous Fiscal Year.

"Proportionately" means for Developed Property that the ratio of the actual Special Tax A levy to the Assigned Special Tax A is equal for all Assessor's Parcels of Developed Property and that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor's Parcels of Undeveloped Property, and that the ratio of the actual Special Tax B levy per Acre to the Maximum Special Tax B per Acre is equal for all Assessor's Parcels of Undeveloped Property. For Taxable Public Property and Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor's Parcels of Taxable Public Property and Taxable Property Owner Association Property, as applicable.

"Public Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 6 that was owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency as of January 1 of the previous Fiscal Year; 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; or (ii) any property within the boundaries of CFD No. 6 that was encumbered, as of January 1 of the previous Fiscal Year, by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Residential Floor Area" for any Residential Property means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for each dwelling unit; provided, however, that any building permit(s) issued after the issuance of a certificate of occupancy for such unit shall not be considered.

"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" means the Special Tax A and/or Special Tax B, as applicable.

"Special Tax A" means the special tax to be levied in each Fiscal Year to fund the Special Tax Requirement for Facilities.

"Special Tax B" means the annual special tax to be levied in each Fiscal Year to fund the Special Tax Requirement for Services.

"Special Tax Requirement for Facilities" means that amount required in any Fiscal Year for CFD No. 6 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay all or a portion of the Administrative Expenses as determined by the CFD Administrator; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 6 facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax A levy on Undeveloped Property; (vi) pay directly for all public services eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax A levy on Undeveloped Property; and (vii) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (viii) a credit for funds available to reduce the annual Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

"Special Tax Requirement for Services" means that amount required in any Fiscal Year for CFD No. 6 to: (i) pay directly for all public services eligible under the Act; (ii) pay Administrative Expenses not funded through the Special Tax Requirement for Facilities as determined by the CFD Administrator; less (iii) a credit for funds available to reduce the annual Special Tax B levy, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 6 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Property Owner Association Property, or Taxable Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 6 shall be classified as Developed Property, Taxable Property Owner Association Property, Taxable Public Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Classes 1 through 7 based on the type of structure and Residential Floor Area. Non-Residential Property shall be assigned to Land Use Class 8.

C. MAXIMUM SPECIAL TAX RATE

1. Special Tax A

a. Developed Property

(1) Maximum Special Tax A

The Maximum Special Tax A for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax A or (ii) the amount derived by application of the Backup Special Tax A.

(2) Assigned Special Tax A

The Assigned Special Tax A for Fiscal Year 2006-2007 for each Land Use Class is shown below in Table 1.

TABLE 1
Assigned Special Tax A for Developed Property
For Fiscal Year 2006-2007
Community Facilities District No. 6 (North Shore at Mandalay Bay)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax A
1	Residential Property	≥ 4,100 SF	\$6,698 per unit
2	Residential Property	3,600 – 4,099 SF	\$6,222 per unit
3	Residential Property	3,200 – 3,599 SF	\$6,031 per unit
4	Residential Property	2,800 – 3,199 SF	\$4,982 per unit
5	Residential Property	2,400 – 2,799 SF	\$4,226 per unit
6	Residential Property	2,000 – 2,399 SF	\$3,993 per unit
7	Residential Property	< 2,000 SF	\$3,400 per unit
8	Non-Residential Property	NA	\$53,256 per Acre

(3) Backup Special Tax A

The Fiscal Year 2006-2007 Backup Special Tax A for an Assessor's Parcel of Developed Property shall equal \$53,256 per Acre of the Assessor's Parcel.

(4) Increase in the Assigned Special Tax A and Backup Special Tax A

On each July 1, commencing on July 1, 2007, the Assigned Special Tax A for each Land Use Class and the Backup Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

(5) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax A levied on an Assessor's Parcel shall be the sum of the Assigned Special Tax A for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax A that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax A that can be levied for all Land Use Classes located on that Assessor's

Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

b. Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(1) Maximum Special Tax A

The Fiscal Year 2006-2007 Maximum Special Tax A for Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property in shall be \$53,256 per Acre.

(2) Increase in the Maximum Special Tax A

On each July 1, commencing on July 1, 2007, the Maximum Special Tax A for Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Special Tax B

a. Developed Property

(1) Maximum Special Tax B

The Maximum Special Tax B for Fiscal Year 2006-2007 for each Land Use Class is shown below in Table 2.

TABLE 2
Maximum Special Tax B for Developed Property
For Fiscal Year 2006-2007
Community Facilities District No. 6 (North Shore at Mandalay Bay)

Land Use Class	Description	Residential Floor Area	Maximum Special Tax B
1	Residential Property	≥ 4,100 SF	\$2,771 per unit
2	Residential Property	3,600 – 4,099 SF	\$2,575 per unit
3	Residential Property	3,200 – 3,599 SF	\$2,497 per unit
4	Residential Property	2,800 – 3,199 SF	\$2,067 per unit
5	Residential Property	2,400 – 2,799 SF	\$1,756 per unit
6	Residential Property	2,000 – 2,399 SF	\$1,661 per unit
7	Residential Property	< 2,000 SF	\$1,400 per unit
8	Non-Residential Property	NA	\$18,104 per Acre

(2) Increase in the Maximum Special Tax B

On each July 1, commencing on July 1, 2007, the Maximum Special Tax B for Developed Property for each Land Use Class shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

(3) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax B levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax B for all Land Use Classes located on that Assessor's Parcel.

b. Undeveloped Property

(1) Maximum Special Tax B

The Fiscal Year 2006-2007 Maximum Special Tax B for Undeveloped Property shall be \$18,104 per Acre.

(2) Increase in the Maximum Special Tax B

On each July 1, commencing on July 1, 2007, the Maximum Special Tax B for Undeveloped Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Special Tax A

Commencing with Fiscal Year 2006-2007 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement for Facilities and shall levy the Special Tax A as follows:

First: The Special Tax A shall be levied on each Assessor's Parcel of Developed Property at 100% of the applicable Assigned Special Tax A;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax A for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the levy of the Special Tax A on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax A shall be increased in equal percentages from the Assigned Special Tax A up to the Maximum Special Tax A for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property and Taxable Public Property at up to the Maximum Special Tax A for Taxable Property Owner Association Property or Taxable Public Property.

2. Special Tax B

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 B as follows:

First: The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax B as needed to satisfy the Special Tax Requirement for Services;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Services after the first step has been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax B for Undeveloped Property.

Notwithstanding the above, under no circumstances will the Special Tax A or Special Tax B levied against any Assessor's Parcel used for private residential purposes be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 6.

E. EXEMPTIONS

1. Special Tax A

No Special Tax A shall be levied on up to 7.62 Acres of Public Property and 42.90 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property its tax-exempt status will be revoked.

2. Special Tax B

No Special Tax B shall be levied on Public Property and Property Owner Association Property.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously 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 CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 6 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The obligation of an Assessor's Parcel to pay the Special Tax A may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax A obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax B may not be prepaid.

The following definitions apply to this Section H:

"**CFD Public Facilities**" means either \$21.7 million in 2006 dollars, which shall increase by the Construction Inflation Index on July 1, 2007, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 6 under the authorized bonding program for CFD No. 6, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"**Construction Inflation Index**" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"**Future Facilities Costs**" means the CFD Public Facilities minus (i) public facility costs previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance public facilities costs.

"Improvement Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct CFD Public Facilities eligible under the Act.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 6 prior to the date of prepayment.

1. Prepayment in Full

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

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	<u>Capitalized Interest Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax A and Backup Special Tax A. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax A and Backup Special Tax A for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax A computed pursuant to paragraph 2 by the total estimated Assigned Special Tax A for the entire CFD No. 6 based on the Developed Property Special Tax A which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 6, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax A computed pursuant to paragraph 2 by the total estimated Backup Special Tax A at buildout for the entire CFD No. 6, excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax A levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 6, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit ("Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the

capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The Special Tax A prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 6.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax A levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall indicate in the records of CFD No. 6 that there has been a prepayment of the Special Tax A and the obligation of such Assessor's Parcel to pay the Special Tax A shall cease.

2. Prepayment in Part

The Special Tax A on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued may be partially prepaid as described herein, provided that such prepayment may not occur after the issuance of a certificate of occupancy for such Assessor's Parcel. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Special Tax A.

A = the Administration Fees and Expenses from Section H.1

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax A and the percentage by which the Special Tax A shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial

prepayment of the Special Tax A for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 6 that there has been a partial prepayment of the Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no full or partial Special Tax A prepayment shall be allowed unless the amount of Assigned Special Tax A that may be levied in each Fiscal Year on Taxable Property within CFD No. 6 both prior to and after the proposed prepayment is at least 1.1 times the applicable annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax A shall be levied as long as necessary to meet items (i) and (iii) of the Special Tax Requirement for Facilities not to exceed Fiscal Year 2045-2046. The Special Tax B shall be levied as long as necessary to meet the Special Tax Requirement for Services.

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EXHIBIT B

CITY OF OXNARD COMMUNITY FACILITIES DISTRICT NO. 6 (NORTHSHORE AT MANDALAY BAY)

FISCAL YEAR 2006-2007 ASSIGNED SPECIAL TAX A & MAXIMUM SPECIAL TAX B RATES FOR DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area	Fiscal Year 2006-2007 Assigned Special Tax A*	Fiscal Year 2006-2007 Maximum Special Tax B*
1	Residential Property	≥ 4,100 SF	\$6,698 per unit	\$2,771 per unit
2	Residential Property	3,600 – 4,099 SF	\$6,222 per unit	\$2,575 per unit
3	Residential Property	3,200 – 3,599 SF	\$6,031 per unit	\$2,497 per unit
4	Residential Property	2,800 – 3,199 SF	\$4,982 per unit	\$2,067 per unit
5	Residential Property	2,400 - 2,799 SF	\$4,226 per unit	\$1,756 per unit
6	Residential Property	2,000 – 2,399 SF	\$3,993 per unit	\$1,661 per unit
7	Residential Property	< 2,000 SF	\$3,400 per unit	\$1,400 per unit
8	Non-Residential Property	NA	\$53,256 per Acre	\$18,104 per Acre

* On each July 1, commencing July 1, 2007, the Assigned Special Tax A and Maximum Special Tax B shall be increased by two percent (2.00%) of the amount in effect in the previous Fiscal Year.

EXHIBIT C

**CITY OF OXNARD
COMMUNITY FACILITIES DISTRICT NO. 6
(NORTHSHORE AT MANDALAY BAY)**

**FISCAL YEAR 2006-2007
MAXIMUM SPECIAL TAX A RATE FOR UNDEVELOPED PROPERTY,
TAXABLE PROPERTY OWNER ASSOCIATION PROPERTY,
AND TAXABLE PUBLIC PROPERTY**

Description	Fiscal Year 2006-2007 Maximum Special Tax A*
Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property	\$53,256 per Acre

* On each July 1, commencing July 1, 2007, the Maximum Special Tax shall be increased by two percent (2.00%) of the amount in effect in the previous Fiscal Year.

**FISCAL YEAR 2006-2007
MAXIMUM SPECIAL TAX B RATE FOR UNDEVELOPED PROPERTY**

Description	Fiscal Year 2006-2007 Maximum Special Tax B*
Undeveloped Property	\$18,104 per Acre

* On each July 1, commencing July 1, 2007, the Maximum Special Tax shall be increased by two percent (2.00%) of the amount in effect in the previous Fiscal Year.

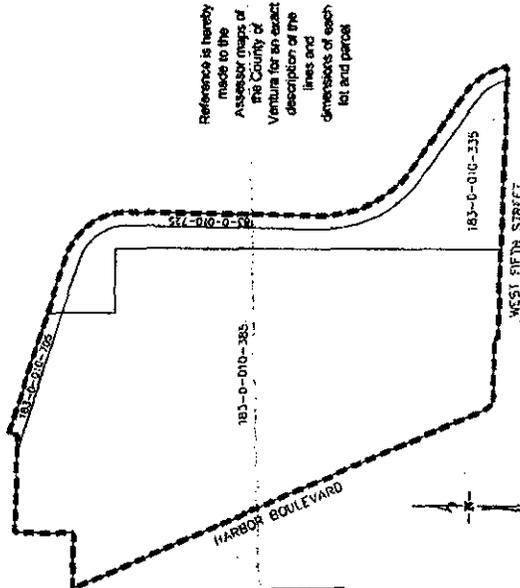
EXHIBIT D

**CITY OF OXNARD
COMMUNITY FACILITIES DISTRICT NO. 6
(NORTHSHORE AT MANDALAY)**

BOUNDARY MAP

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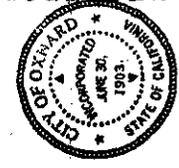
PROPOSED BOUNDARIES OF
CITY OF OXNARD
COMMUNITY FACILITIES DISTRICT NO. 6
(NORTH SHORE AT MANDALAY BAY)
COUNTY OF VENTURA
STATE OF CALIFORNIA



Reference is hereby made to the Assessor maps of the County of Ventura for an exact description of the lines and dimensions of each lot and parcel.

LEGEND
--- BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 6
--- ASSESSOR PARCEL LINE

F.Y. 2005-2006 Assessor Parcel Numbers within the Boundaries of Community Facilities District No. 6:
183-0-010-335
183-0-010-385
183-0-010-705
183-0-010-725



(1) Filed in the office of the City Clerk of the City of Oxnard this 14th day of February, 2006.

Jill A. Beatty, Assistant
City Clerk

(2) I hereby certify that the within map showing the proposed boundaries of City of Oxnard Community Facilities District No. 6 (North Shore at Mandalay Bay), Ventura County, State of California, was approved by the City Council at a regular meeting thereof, held on this 14th day of February, 2006, by its Resolution No. 13,007.

Jill A. Beatty, Assistant
City Clerk

(3) Filed this 3rd day of March, 2006, at the hour of 10 o'clock p.m. in Book 14 of Maps of Assessment and Community Facilities Districts at page 47 and as Instrument No. 2006033-MAP-71

Recorder of Ventura County, State of California.

Fee \$
Debra A. Newell, Clerk
County Recorder of Ventura County

00048

Penfield & Smith
ENGINEERS - SURVEYORS - PLANNERS
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101 Elm Street, Suite 200, Santa Barbara, CA 93102
Phone: (805) 963-9337 Fax: (805) 966-9801

Exempt recording requirement, per CA Government Code, § 6103