

**STAFF REPORT****CITY OF OCEANSIDE**

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DATE: February 22, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Economic Development and Redevelopment Department

SUBJECT: **ADOPTION OF RESOLUTIONS NECESSARY TO CREATE THE PACIFIC COAST BUSINESS PARK COMMUNITY FACILITIES DISTRICT, AND INTRODUCTION OF AN ORDINANCE AUTHORIZING LEVY OF A SPECIAL TAX WITHIN THE DISTRICT**

**SYNOPSIS**

Staff recommends that the City Council adopt a resolution establishing Community Facilities District No. 2006-1 (Pacific Coast Business Park, located at College Boulevard and Old Grove Road) and making environmental findings with respect thereto, authorizing the levy of special taxes and calling an election therein; adopt a resolution determining the necessity to incur bonded indebtedness within Community Facilities District No. 2006-1 and calling an election therein; adopt a resolution certifying the results of the special tax and bond election; and introduce an ordinance authorizing the levy of a special tax within Community Facilities District No. 2006-1 (Pacific Coast Business Park).

**BACKGROUND**

The Pacific Coast Business Park is a proposed development that will provide approximately 1.5 million square feet of light industrial and office buildings to create additional jobs within the City. The Council took the first steps to create the district on January 18, 2006. These are the next steps required to actually create the district and to enable bonds to be sold. The proceeds of the bonds will be used to buy certain segments of public infrastructure. The money to pay back the bonds comes from the special taxes paid by property owners in the district. The developer is required to disclose the Community Facilities District to property owners in their purchase and sale documents.

In addition, staff is requesting that the Rate and Method of Apportionment, previously authorized at the January 18, 2006, Council meeting be amended due to an inaccurate number regarding the gross acres provided by the Developer. This will not materially alter the tax rate, however, it must be corrected.

## **ANALYSIS**

The tax rate proposed for the Pacific Coast Business Park will be \$.5481 per square foot of building, \$5,481 per developed acre or \$7,149 per undeveloped acre, whichever is greater. The rate will escalate by 2 percent per year. An election to levy such tax is required by the current property owners, of which there is only one at this time, the Pacific Coast Business Park, LLC. The principals in the park are Monarch Development, Guthrie Development, and DWO Enterprises, Inc.

## **FISCAL ANALYSIS**

The City's rules require a 4:1 value-to-lien ratio. At this time, the value of the property, based on its sale in December 2004, is \$28,222,000, and the total amount anticipated to be bonded is \$8.2 million, creating an ability to purchase \$6.5 million of eligible infrastructure. The value prior to the time of the bond sale will be determined by an appraisal, with any other existing debt service also taken into consideration.

In addition, the City has forecast an administrative expense of \$30,000 a year, escalating by two percent per year, to administer the Community Facilities District.

## **CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

## **COMMITTEE/COMMISSION REPORT**

The Economic Development Commission reviewed the project at its February 7, 2006, meeting and recommended that the City Council approve the establishment of Community Facilities District 2006-1.

**RECOMMENDATION**

Staff recommends that the City Council adopt a resolution establishing Community Facilities District No. 2006-1 (Pacific Coast Business Park, located at College Boulevard and Old Grove Road) and making environmental findings with respect thereto, authorizing the levy of special taxes and calling an election therein; adopt a resolution determining the necessity to incur bonded indebtedness within Community Facilities District No. 2006-1 and calling an election therein; adopt a resolution certifying the results of the special tax and bond election; and introduce an ordinance authorizing the levy of a special tax within Community Facilities District No. 2006-1 (Pacific Coast Business Park).

**PREPARED BY:**

  
\_\_\_\_\_  
Jane McVey  
Economic Development &  
Redevelopment Director

**SUBMITTED BY:**

  
\_\_\_\_\_  
Steven R. Jepsen  
City Manager

**REVIEWED BY:**

Michelle Skaggs Lawrence, Assistant to the City Manager  
Mike Blessing, Deputy City Manager  
Nita McKay, Financial Services Director



**Attachments:**

1. Resolution establishing Community Facilities District No. 2006-1 and making environmental findings with respect thereto, authorizing the levy of special taxes, and calling an election therein
2. Resolution determining the necessity to incur bonded indebtedness within Community Facilities District No. 2006-1 and calling an election therein
3. Resolution certifying the results of the February 22, 2006, Special Tax and Bond Election
4. Ordinance of the City Council of the City of Oceanside, State of California, acting in its capacity as the legislative body of Community Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) authorizing the levy of a special tax within such district

1 RESOLUTION NO. \_\_\_\_\_

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
3 OF OCEANSIDE ESTABLISHING COMMUNITY  
4 FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF  
5 OCEANSIDE (PACIFIC COAST BUSINESS PARK) AND  
6 MAKING ENVIRONMENTAL FINDINGS WITH RESPECT  
7 THERETO, AUTHORIZING THE LEVY OF SPECIAL  
8 TAXES, AND CALLING AN ELECTION THEREIN.

9 WHEREAS, the Planning Commission of the City of Oceanside has previously  
10 approved Pacific Business Park Tentative Parcel Map (P-8-04) and Development Plan  
11 (D-17-04) (the "Master Plan"), and on August 22, 2005, by Resolution No. 2005-P46,  
12 approved the Final Environmental Impact Report and the Mitigation Monitoring and  
13 Reporting Program for the Pacific Coast Business Park (the "EIR"), and the mitigation  
14 measures provided therein, pursuant to the California Environmental Quality Act (Public  
15 Resources Code Section 21000 *et seq.*) ("CEQA") and its implementing guidelines (14  
16 California Code of Regulations section 15000 *et seq.*) (the "Guidelines");

17 WHEREAS, the project descriptions contained in both the Master Plan and the EIR  
18 include descriptions of (a) development activities proposed within the area covered by or  
19 authorized pursuant to the Master Plan, and (b) the proposed improvements associated with  
20 development pursuant to the Master Plan, and the various environmental effects of such  
21 development activities and water, sewer and street improvements are analyzed in detail in the  
22 EIR;

23 WHEREAS, the City Council of the City of Oceanside (the "Council") has heretofore  
24 adopted Resolution No. 06-R0031-1 stating its intention to form Community Facilities  
25 District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) ("Community  
26 Facilities District No. 2006-1" or the "District") pursuant to the Mello-Roos Community  
27 Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the  
28 Government Code of the State of California (the "Act") therein;

WHEREAS, a copy of Resolution No. 06-R0031-1 setting forth a description of the  
proposed boundaries of Community Facilities District No. 2006-1, the facilities and

1 incidental expenses to be financed by the District (the “Facilities” and “Incidental Expenses”,  
2 respectively) and the rate and method of apportionment of the special tax proposed to be  
3 levied within proposed District is on file with the City Clerk and except to the extent  
4 amended by this resolution is incorporated herein by reference;

5 WHEREAS, a notice was published and mailed to all landowners of the land proposed  
6 to be included within the District as required by law relative to the intention of the Council to  
7 form proposed Community Facilities District No. 2006-1 and to levy a special tax and to  
8 incur bonded indebtedness within the District;

9 WHEREAS, on February 22, 2006, this Council opened a noticed public hearing as  
10 required by law relative to the proposed formation of Community Facilities District No.  
11 2006-1, the levy of special taxes therein and the issuance of bonded indebtedness by the  
12 District;

13 WHEREAS, at the February 22, 2006 public hearing there was filed with this Council  
14 a report containing a description of the facilities necessary to meet the needs of the District  
15 and an estimate of the cost of such facilities as required by Section 53321.5 of the Act (the  
16 “Facilities Report”);

17 WHEREAS, bond proceeds from the proposed District may be used to pay costs of  
18 constructing certain improvements, which have been fully analyzed, documented, and  
19 approved by the lead agency and any responsible agencies for such improvements, pursuant  
20 to CEQA;

21 WHEREAS, at the February 22, 2006 public hearing all persons desiring to be heard  
22 on all matters pertaining to the proposed formation of Community Facilities District No.  
23 2006-1 and the levy of the special taxes and the issuance of bonded indebtedness with respect  
24 to the District were heard and a full and fair hearing was held;

25 WHEREAS, at the public hearing, evidence was presented to the Council on the  
26 matters before it, and the proposed formation of the District and the levy of special taxes  
27 within the District were not precluded by a majority protest of the type described in Section  
28 53324 of the Act, and this Council at the conclusion of the hearing was fully advised as to all  
matters relating to the formation of the District, the levy of the special taxes and the issuance

1 of bonded indebtedness;

2 WHEREAS, the Council has determined that there have been fewer than 12 registered  
3 voters residing in the proposed boundaries of Community Facilities District No. 2006-1 for  
4 the period of 90 days prior to February 22, 2006 and that the qualified electors in Community  
5 Facilities District No. 2006-1 are the landowners within the District; and

6 WHEREAS, on the basis of all of the foregoing, the Council has determined at this  
7 time to proceed with the establishment of Community Facilities District No. 2006-1 and to  
8 call an election to authorize (i) the levy of special taxes pursuant to the rate and method of  
9 apportionment of the special tax, as set forth in Exhibit A hereto, which rate and method  
10 reduces the exempt acreage from 25.5 acres to 13.66 acres based on new information made  
11 available to the City subsequent to the adoption of Resolution No. 06-R0031-1, (ii) the  
12 issuance of bonds to finance the Facilities and Incidental Expenses, and (iii) the  
13 establishment of an appropriations limit for Community Facilities District No. 2006-1.

14 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as  
15 follows:

16 SECTION 1. That each of the above recitals is true and correct.

17 SECTION 2. To the extent the creation of the District will result in bond proceeds  
18 which will be expended for the construction of improvements within the Master Plan area  
19 which have been reviewed and analyzed in the EIR, and authorized and approved by the City,  
20 there is no possibility that the formation of the proposed District, the levying of a special tax  
21 therein, and the issuance of bonds pursuant thereto for the purpose of funding the  
22 construction of such improvements will have a significant effect on the environment, and,  
23 therefore, pursuant to Guidelines Section 15162, there is no need for additional  
24 environmental analysis or documentation; and, further, because it can be seen with certainty  
25 that the creation of the District, the levy of a special tax therein, and the issuance of bonds  
26 pursuant thereto will have no significant effect on the environment, the formation of the  
27 proposed District, levy of special tax, and issuance of bonds thereunder is exempt from  
28 CEQA pursuant to Guidelines Section 15061. The City Clerk is directed to cause a notice of  
determination to be posted as required by law as to the foregoing CEQA finding.

1 SECTION 3. That a community facilities district to be designated “Community  
2 Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park)” is  
3 hereby established pursuant to the Act. The Council hereby finds and determines that all  
4 prior proceedings taken with respect to the establishment of the District were valid and in  
5 conformity with the requirements of law, including the Act. This finding is made in  
6 accordance with the provisions of Section 53325.1(b) of the Act.

7 SECTION 4. That the boundaries of Community Facilities District No. 2006-1 are  
8 established as shown on the map designated “Map of Proposed Boundaries of Community  
9 Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park),” which  
10 map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and  
11 3113 of the Streets and Highways Code in the County of San Diego Book of Maps of  
12 Assessment and Community Facilities Districts in the County Recorder’s Office in Book No.  
13 40, Page Nos. 18 and 19 on January 25, 2006 (the “Map”).

14 SECTION 5. That the types of Facilities and Incidental Expenses authorized to be  
15 provided for Community Facilities District No. 2006-1 are those set forth in Resolution No.  
16 06-R0031-1. The estimated cost of the Facilities and Incidental Expenses to be financed is  
17 set forth in the Facilities Report, which estimates may change as the Facilities are designed  
18 and bid for construction and acquisition.

19 The City is authorized by the Act to contribute revenue to, or to construct or  
20 acquire the Facilities, all in accordance with the Act. The Council finds that the proposed  
21 Facilities are necessary to meet the increased demand that will be placed upon public  
22 infrastructure as a result of new development within the District.

23 SECTION 6. That except where funds are otherwise available, it is the intention of the  
24 Council, subject to the approval of the eligible voters within the District, to levy the proposed  
25 special taxes at the rates set forth in Exhibit A hereto on all non-exempt property within the  
26 District sufficient to pay for (i) the Facilities; (ii) the principal and interest and other periodic  
27 costs on the bonds proposed to be issued by the District to finance the Facilities and  
28 Incidental Expenses, including the establishment and replenishment of reserve funds, any  
re-marketing, credit enhancement and liquidity facility fees and other expenses of the type

1 permitted by Section 53345.3 of the Act; and (iii) the Incidental Expenses. The District  
2 expects to incur, and in certain cases has already incurred, Incidental Expenses in connection  
3 with the creation of the District, the issuance of bonds, the levying and collecting of the  
4 special tax, the completion and inspection of the Facilities and the annual administration of  
5 the bonds and the District. The rate and method of apportionment of the special tax is  
6 described in detail in Exhibit A hereto and incorporated herein by this reference, and the  
7 Council hereby finds that Exhibit A contains sufficient detail to allow each landowner within  
8 the District to estimate the maximum amount that may be levied against each parcel. As  
9 described in greater detail in the Facilities Report, which is incorporated by reference herein,  
10 the special taxes are based on the expected demand that each parcel of real property within  
11 Community Facilities District No. 2006-1 will place on the Facilities and are generally  
12 proportionate to the relative benefit that each parcel will derive from the right to access the  
13 Facilities and, accordingly, is hereby determined to be reasonable. The special tax shall not  
14 be levied on any assessor's parcel after Fiscal Year 2055-56. The special tax is apportioned  
15 to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and such special  
16 tax is not on or based upon the ownership of real property.

17 The Financial Services Department of the City of Oceanside, 300 North Coast  
18 Highway, Oceanside, California 92054, telephone number (760) 435-3832, will be  
19 responsible for preparing annually, or authorizing a designee to prepare, a current roll of  
20 special tax levy obligations by assessor's parcel number and will be responsible for  
21 estimating future special tax levies pursuant to Section 53340.2 of the Act.

22 SECTION 7. That in the event that a portion of the property within Community  
23 Facilities District No. 2006-1 shall become for any reason exempt, wholly or partially, from  
24 the levy of the special tax specified in the rate and method of apportionment contained in  
25 Exhibit A hereto, the Council shall, on behalf of Community Facilities District No. 2006-1,  
26 increase the levy to the extent necessary and permitted by law and these proceedings upon the  
27 remaining property within the District which is not delinquent or exempt in order to yield the  
28 required debt service payments on any outstanding bonds or to prevent the District from  
defaulting on any other obligations or liabilities. The amount of the special tax will be set in

1 accordance with the rate and method of apportionment of the special tax attached hereto as  
2 Exhibit A.

3 SECTION 8. That upon recordation of a notice of special tax lien pursuant to Section  
4 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special  
5 tax shall attach to all non-exempt real property in the District and this lien shall continue in  
6 force and effect until the special tax obligation is prepaid in accordance with Section H of the  
7 rate and method of apportionment of the special tax attached hereto as Exhibit A and  
8 permanently satisfied and the lien canceled in accordance with law or until collection of the  
9 special tax by the District ceases.

10 SECTION 9. That consistent with Section 53325.6 of the Act, the Council finds and  
11 determines that the land within Community Facilities District No. 2006-1, if any, devoted  
12 primarily to agricultural, timber or livestock uses and being used for the commercial  
13 production of agricultural, timber or livestock products is contiguous to other land within  
14 Community Facilities District No. 2006-1 and will be benefited by the Facilities proposed to  
15 be provided within Community Facilities District No. 2006-1.

16 SECTION 10. That it is hereby further determined that there is no ad valorem  
17 property tax currently being levied on property within proposed Community Facilities  
18 District No. 2006-1 for the exclusive purpose of paying the principal of or interest on bonds  
19 or other indebtedness incurred to finance the construction of capital facilities which provide  
20 the same services to the territory of Community Facilities District No. 2006-1 as are proposed  
21 to be provided by the Facilities to be financed by Community Facilities District No. 2006-1.

22 SECTION 11. That written protests against the establishment of the District  
23 have not been filed by one-half or more of the registered voters within the boundaries of the  
24 District or by the property owners of one-half or more of the area of land within the  
25 boundaries of the District. The Council hereby finds that the proposed special tax has not  
26 been precluded by a majority protest pursuant to Section 53324 of the Act.

27 SECTION 12. That an election is hereby called for Community Facilities  
28 District No. 2006-1 on the propositions of levying the special tax on the property within the  
District and establishing an appropriations limit for the District pursuant to Section 53325.7

1 of the Act and shall be consolidated with the election on the proposition of incurring bonded  
2 indebtedness for the District, pursuant to Section 53351 of the Act. The propositions to be  
3 placed on the ballot are attached hereto as Exhibit B.

4 SECTION 13. That the date of the foregoing election for Community Facilities  
5 District No. 2006-1 shall be February 22, 2006, or such later date as is consented to by the  
6 City Clerk and the landowners within the District. The City Clerk shall conduct the election.  
7 Except as otherwise provided by the Act, the election shall be conducted by personally  
8 delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be  
9 conducted in accordance with the provisions of law regulating elections of the City of  
10 Oceanside insofar as such provisions are determined by the City Clerk to be applicable.

11 It is hereby found that there are not more than twelve registered voters within  
12 the territory of Community Facilities District No. 2006-1, and, pursuant to Section 53326 of  
13 the Act, each landowner who is the owner of record on the date hereof, or the authorized  
14 representative thereof, shall have one vote for each acre or portion thereof that he or she  
15 owns within the District.

16 SECTION 14. That the preparation of the Facilities Report is hereby ratified.  
17 The Facilities Report, as submitted, is hereby approved and made a part of the record of the  
18 public hearing regarding the formation of Community Facilities District No. 2006-1, and is  
19 ordered to be kept on file with the transcript of these proceedings and open for public  
20 inspection.

21 ///  
22 ///  
23 ///

1 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,  
2 this 22<sup>nd</sup> day of February, 2006, by the following vote:  
3

4 AYES:

5 NAYS:

6 ABSENT:

7 ABSTAIN:  
8  
9

10  
11 \_\_\_\_\_  
MAYOR OF THE CITY OF  
OCEANSIDE

12  
13 ATTEST:

APPROVED AS TO FORM:

14  
15 \_\_\_\_\_  
City Clerk

16 \_\_\_\_\_  
  
City Attorney

17  
18  
19 A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
20 OF OCEANSIDE ESTABLISHING COMMUNITY  
21 FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF  
22 OCEANSIDE (PACIFIC COAST BUSINESS PARK) AND  
23 MAKING ENVIRONMENTAL FINDINGS WITH RESPECT  
24 THERETO, AUTHORIZING THE LEVY OF SPECIAL  
25 TAXES, AND CALLING AN ELECTION THEREIN.  
26  
27  
28



1 party expenses. Administrative Expenses shall also include amounts estimated or  
2 advanced by the City or CFD No. 2006-1 for any other administrative purposes of  
3 CFD No. 2006-1, including attorney's fees and other costs related to commencing and  
pursuing to completion any foreclosure of delinquent Special Taxes.

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

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

8 **"Assigned Special Tax"** means the Special Tax for each Assessor's Parcel of  
9 Developed Property, as determined in accordance with Section C below.

10 **"Backup Special Tax"** means the Special Tax applicable to each Assessor's  
11 Parcel of Developed Property, as determined in accordance with Section C below.

12 **"Bonds"** means any bonds or other debt (as defined in Section 53317(d) of the  
13 Act), whether in one or more series, issued by CFD No. 2006-1 under the Act.

14 **"CFD No. 2006-1"** means Community Facilities District No. 2006-1 of the  
15 City of Oceanside (Pacific Coast Business Park).

16 **"City"** means the City of Oceanside.

17 **"Council"** means the City Council of the City.

18 **"County"** means the County of San Diego.

19 **"Developed Floor Area"** means the total building square footage of the  
20 building(s) located on an Assessor's Parcel, measured from outside wall to outside  
21 wall, exclusive of overhangs, porches, patios, garages, carports, or similar spaces  
attached to the building. The determination of Developed Floor Area shall be made  
by reference to the building permit(s) issued for such Assessor's Parcel.

22 **"Developed Property"** means, for each Fiscal Year, all Taxable Property,  
23 exclusive of Taxable Public Property and Taxable Property Owner Association  
24 Property, for which a building permit for new construction was issued prior to January  
1 of the prior Fiscal Year.

25 **"Finance Director"** means the Financial Services Director of the City or his or  
26 her designee.

27 **"Fiscal Year"** means the period starting July 1 and ending on the following  
28

1 June 30.

2 “**Indenture**” means the indenture, fiscal agent agreement, resolution or other  
3 instrument pursuant to which Bonds are issued, as modified, amended and/or  
4 supplemented from time to time.

5 “**Maximum Special Tax**” means the Maximum Special Tax, determined in  
6 accordance with Section C below, that can be levied in any Fiscal Year on any  
7 Assessor’s Parcel.

8 “**Outstanding Bonds**” means all Bonds which are deemed to be outstanding  
9 under the Indenture.

10 “**Proportionately**” means, for Developed Property, that the ratio of the actual  
11 Special Tax levy to the Assigned Special Tax is equal for all Assessor’s Parcels of  
12 Developed Property. For Undeveloped Property, “Proportionately” means that the  
13 ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is  
14 equal for all Assessor’s Parcels of Undeveloped Property.

15 “**Property Owner Association Property**” means any property within the  
16 boundaries of CFD No. 2006-1 that is owned by or irrevocably dedicated to a property  
17 owner association, including any master or sub-association.

18 “**Public Property**” means any property within the boundaries of CFD  
19 No. 2006-1 that is (i) used for rights-of-way or any other purpose and is owned by or  
20 irrevocably offered for dedication to the federal government, the State of California,  
21 the County, the City or any other public agency or (ii) encumbered by an unmanned  
22 utility easement making impractical its utilization for other than the purpose set forth  
23 in the easement, provided however that any property leased by a public agency to a  
24 private entity and subject to taxation under Section 53340.1 of the Act shall be taxed  
25 and classified in accordance with its use.

26 “**Special Tax**” means the special tax to be levied in each Fiscal Year on each  
27 Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

28 “**Special Tax Requirement**” means that amount required in any Fiscal Year  
for CFD No. 2006-1 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 Administrative Expenses; (iv) pay any  
amounts required to establish or replenish any reserve funds for all Outstanding  
Bonds; (v) pay directly for construction of CFD No. 2006-1 facilities eligible under  
the Act; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the  
delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a

1 credit for funds available to reduce the annual Special Tax levy, as determined by the  
2 Finance Director pursuant to the Indenture.

3 “State” means the State of California.

4 “Taxable Property” means all of the Assessor’s Parcels within the boundaries  
5 of CFD No. 2006-1 which are not exempt from the Special Tax pursuant to law or  
6 Section E below.

7 “Taxable Property Owner Association Property” means all Assessor’s  
8 Parcels of Property Owner Association Property that are not exempt pursuant to  
9 Section E below.

10 “Taxable Public Property” means all Assessor’s Parcels of Public Property  
11 that are not exempt pursuant to Section E below.

12 “Trustee” means the trustee or fiscal agent under the Indenture.

13 “Undeveloped Property” means, for each Fiscal Year, all Taxable Property  
14 not classified as Developed Property, Taxable Public Property or Taxable Property  
15 Owner Association Property.

16 **B. ASSIGNMENT TO LAND USE CATEGORIES**

17 Each Fiscal Year, all Taxable Property within CFD No. 2006-1 shall be  
18 classified as Developed Property, Taxable Public Property, Taxable Property Owner  
19 Association Property, or Undeveloped Property, and shall be subject to Special Taxes  
20 in accordance with the rate and method of apportionment determined pursuant to  
21 Sections C and D below.

22 **C. MAXIMUM SPECIAL TAX RATE**

23 **1. Developed Property**

24 a. Maximum Special Tax

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

b. Assigned Special Tax

The Fiscal Year 2006-2007 Assigned Special Tax is the greater  
of \$0.5481 per square foot of Developed Floor Area or \$5,481 per

1 Acre.

2 c. Backup Special Tax

3 The Fiscal Year 2006-2007 Backup Special Tax shall equal  
4 \$7,149 per Acre.

5 d. Increase in the Assigned Special Tax and the Backup Special  
6 Tax

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

10 **2. Undeveloped Property, Taxable Public Property, and Taxable Property**  
11 **Owner Association Property**

12 a. Maximum Special Tax

13 The Maximum Special Tax for Undeveloped Property, Taxable  
14 Public Property, and Taxable Property Owner Association Property  
shall be \$7,149 per Acre for Fiscal Year 2006-2007.

15 b. Increases in the Maximum Special Tax

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

19 **D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

20 Commencing with Fiscal Year 2006-2007 and for each following Fiscal Year,  
21 the Council shall determine the Special Tax Requirement and shall levy the Special  
22 Tax until the amount of Special Taxes equal the Special Tax Requirement. The  
23 Special Tax shall be levied each Fiscal Year as follows:

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

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

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

7            Fourth: If additional monies are needed to satisfy the Special Tax Requirement  
8 after the first three steps have been completed, then the Special Tax shall be levied in  
9 equal percentages on each Assessor's Parcel of Taxable Public Property and Taxable  
10 Property Owner Association Property up to the Maximum Special Tax for Taxable  
11 Public Property or Taxable Property Owner Association Property.

12            **E.        EXEMPTIONS**

13            No Special Tax shall be levied on up to 13.66 Acres of Public Property and  
14 Property Owner Association Property. Tax-exempt status will be irrevocably assigned  
15 by the Finance Director in the chronological order in which property becomes Public  
16 Property or Property Owner Association Property.

17            Public Property or Property Owner Association Property that is not exempt  
18 from Special Taxes under this section shall be subject to the levy of the Special Tax  
19 and shall be taxed Proportionately as part of the fourth step in Section D above, at up  
20 to 100% of the applicable Maximum Special Tax for Taxable Public Property or  
21 Taxable Property Owner Association Property.

22            **F.        REVIEW/APPEAL COMMITTEE**

23            The Council shall establish as part of the proceedings and administration of  
24 CFD No. 2006-1 a special three-member Review/Appeal Committee. Any landowner  
25 or resident who feels that the amount of the Special Tax, as to their Assessor's Parcel,  
26 is in error, may file a notice with the Review/Appeal Committee appealing the amount  
27 of the Special Tax levied on such Assessor's Parcel. The Review/Appeal Committee  
28 shall interpret this Rate and Method of Apportionment and make determinations  
relative to the annual administration of the Special Tax and any landowner or resident  
appeals, as herein specified. The decision of the Review/Appeal Committee shall be  
final and binding as to all persons.

**G.        MANNER OF COLLECTION**

              The Special Tax will be collected in the same manner and at the same time as  
ordinary *ad valorem* property taxes; provided, however, that CFD No. 2006-1 may  
directly bill the Special Tax, may collect Special Taxes at a different time or in a

1 different manner if necessary to meet its financial obligations, and may covenant to  
2 foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by  
3 the Act.

4 **H. PREPAYMENT OF SPECIAL TAX**

5 The following definition applies to this Section H:

6 **"CFD Public Facilities"** means either \$6.5 million in 2006 dollars, which  
7 shall increase by the Construction Inflation Index on July 1, 2007, and on each July 1  
8 thereafter, or such lower number as (i) shall be determined by the Finance Director as  
9 sufficient to provide the public facilities to be provided by CFD No. 2006-1 under the  
10 authorized bonding program for CFD No. 2006-1, or (ii) shall be determined by the  
11 Council concurrently with a covenant that it will not issue any more Bonds to be  
12 supported by Special Taxes levied under this Rate and Method of Apportionment as  
13 described in Section D.

14 **"Construction Fund"** means an account specifically identified in the  
15 Indenture to hold funds which are currently available for expenditure to acquire or  
16 construct public facilities eligible under the Act.

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

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

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

**1. Prepayment in Full**

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property and Undeveloped Property for which a building permit has been issued, and only if at the time of prepayment, there are no delinquent Special Taxes with

1 respect to such Assessor's Parcel and all other Assessor's Parcels which are  
2 under the same ownership and located in CFD No. 2006-1. An owner of an  
3 Assessor's Parcel intending to prepay the Special Tax obligation shall provide  
4 the Finance Director with written notice of intent to prepay. Within 30 days of  
5 receipt of such written notice, the Finance Director shall notify such owner of  
6 the prepayment amount of such Assessor's Parcel. The Finance Director may  
7 charge a reasonable fee for providing this service. Prepayment must be made  
8 not less than 45 days prior to the next occurring date that notice of redemption  
9 of Bonds from the proceeds of such prepayment may be given to the Trustee  
10 pursuant to the Indenture.

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

13 Bond Redemption Amount

14 plus Redemption Premium

15 plus Future Facilities Amount

16 plus Defeasance Amount

17 plus Administrative Fees and Expenses

18 less Reserve Fund Credit

19 less Capitalized Interest Credit

20 Total: equals Prepayment Amount

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

23 **Paragraph No.:**

- 24 1. Confirm that no Special Tax delinquencies apply to such Assessor's  
25 Parcel.
- 26 2. For Assessor's Parcels of Developed Property, compute the Assigned  
27 Special Tax and Backup Special Tax applicable for the Assessor's  
28 Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property  
(for which a building permit has been issued) to be prepaid, compute  
the Assigned Special Tax and Backup Special Tax 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

1 Assessor's Parcel.

2 3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2  
3 by the total estimated Assigned Special Taxes for the entire CFD  
4 No. 2006-1 based on the Developed Property Assigned Special Taxes  
5 which could be charged in the current Fiscal Year on all expected  
6 development through buildout of CFD No. 2006-1, excluding any  
7 Assessor's Parcels which have been prepaid, and

8 (b) Divide the Backup Special Tax, computed pursuant to  
9 paragraph 2 by the estimated Maximum Special Taxes from Developed  
10 Property at buildout of CFD No. 2006-1, excluding any Assessor's  
11 Parcels which have been prepaid.

12 4. Multiply the larger quotient computed pursuant to paragraph 3(a) or  
13 3(b) by the Outstanding Bonds to compute the amount of Outstanding  
14 Bonds to be retired and prepaid (the "Bond Redemption Amount").

15 5. Multiply the Bond Redemption Amount computed pursuant to  
16 paragraph 4 by the applicable redemption premium, if any, on the  
17 Outstanding Bonds to be redeemed (the "Redemption Premium").

18 6. Compute the current Future Facilities Costs.

19 7. Multiply the larger quotient computed pursuant to paragraph 3(a) or  
20 3(b) by the amount determined pursuant to paragraph 6 to compute the  
21 amount of Future Facilities Costs to be prepaid (the "Future Facilities  
22 Amount").

23 8. Compute the amount needed to pay interest on the Bond Redemption  
24 Amount from the first bond interest and/or principal payment date  
25 following the current Fiscal Year until the earliest redemption date for  
26 the Outstanding Bonds.

27 9. Determine the Special Taxes levied on the Assessor's Parcel in the  
28 current Fiscal Year which have not yet been paid.

10. Compute the amount the Finance Director 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

1 the amount computed pursuant to paragraph 10 (the “Defeasance  
2 Amount”).

3 12. Verify the administrative fees and expenses of CFD No. 2006-1,  
4 including the costs of computation of the prepayment, the costs to  
5 invest the prepayment proceeds, the costs of redeeming Bonds, and the  
6 costs of recording any notices to evidence the prepayment and the  
7 redemption (the “Administrative Fees and Expenses”).

8 13. If reserve funds for the Outstanding Bonds, if any, are at or above  
9 100% of the reserve requirement (as defined in the Indenture) on the  
10 prepayment date, a reserve fund credit shall be calculated as a reduction  
11 in the applicable reserve fund for the Outstanding Bonds to be  
12 redeemed pursuant to the prepayment (the “Reserve Fund Credit”). No  
13 Reserve Fund Credit shall be granted if reserve funds are below 100%  
14 of the reserve requirement.

15 14. If any capitalized interest for the Outstanding Bonds will not have been  
16 expended at the time of the first interest and/or principal payment  
17 following the current Fiscal Year, a capitalized interest credit shall be  
18 calculated by multiplying the larger quotient computed pursuant to  
19 paragraph 3(a) or 3(b) by the expected balance in the capitalized  
20 interest fund after such first interest and/or principal payment (the  
21 “Capitalized Interest Credit”).

22 15. The Special Tax prepayment is equal to the sum of the amounts  
23 computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts  
24 computed pursuant to paragraphs 13 and 14 (the “Prepayment  
25 Amount”).

26 16. From the Prepayment Amount, the amounts computed pursuant to  
27 paragraphs 4, 5, 11, 13 and 14 shall be deposited into the appropriate  
28 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  
construction fund. The amount computed pursuant to paragraph 12  
shall be retained by CFD No. 2006-1.

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.

1 As a result of the payment of the current Fiscal Year's Special Tax levy  
2 as determined under paragraph 9 (above), the Finance Director shall remove  
3 the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the  
4 County tax rolls. With respect to any Assessor's Parcel that is prepaid, the  
5 Council shall cause a suitable notice to be recorded in compliance with the  
6 Act, to indicate the prepayment of Special Taxes and the release of the Special  
7 Tax lien on such Assessor's Parcel, and the obligation of such Assessor's  
8 Parcel to pay the Special Tax shall cease.

9 Notwithstanding the foregoing, no Special Tax prepayment shall be  
10 allowed unless the amount of Assigned Special Taxes that may be levied on  
11 expected Taxable Property at buildout of CFD No. 2006-1 both prior to and  
12 after the proposed prepayment is at least 1.1 times the maximum annual debt  
13 service on all Outstanding Bonds.

## 14 **2. Prepayment in Part**

15 The Special Tax on an Assessor's Parcel of Developed Property or an  
16 Assessor's Parcel of Undeveloped Property for which a building permit has  
17 been issued may be partially prepaid. The amount of the prepayment shall be  
18 calculated as in Section H.1; except that a partial prepayment shall be  
19 calculated according to the following formula:

$$20 \quad PP = (PE - A) \times F + A.$$

21 These terms have the following meaning:

22 PP = the partial prepayment

23 PE = the Prepayment Amount calculated according to  
24 Section H.1

25 F = the percentage by which the owner of the Assessor's  
26 Parcel(s) is partially prepaying the Special Tax.

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

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

1 prepaid, the City shall (i) distribute the funds remitted to it according to  
2 Section H.1, and (ii) indicate in the records of CFD No. 2006-1 that there has  
3 been a partial prepayment of the Special Tax and that a portion of the Special  
4 Tax with respect to such Assessor's Parcel, equal to the outstanding percentage  
5 (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied  
6 on such Assessor's Parcel pursuant to Section D.

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**I. TERM OF SPECIAL TAX**

The Special Tax shall not be levied after Fiscal Year 2055-2056.

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EXHIBIT B

SAMPLE

OFFICIAL BALLOT

CITY OF OCEANSIDE  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(PACIFIC COAST BUSINESS PARK)

SPECIAL TAX AND BOND ELECTION

February 22, 2006

This ballot represents \_\_\_\_\_ votes.

To vote, stamp a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk and obtain another.

PROPOSITION A: Shall Community Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) (the "District") incur an indebtedness and issue bonds for the District in the maximum principal amount of up to \$12,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in Resolution No. 06-R0031-1 of the City Council of the City of Oceanside?	YES _____
	NO _____

PROPOSITION B: Shall a special tax with a rate and method of apportionment as provided in Resolution No. 06- R_____ of the City Council of the City of Oceanside be levied within the District to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 06-R0031-1, including the payment of the principal of and interest on bonds issued to finance the Facilities and Incidental Expenses?	YES _____
	NO _____

PROPOSITION C: For each year commencing with Fiscal Year 2006-07, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIIB of the California Constitution, for Community Facilities District No. 2006-1 be an amount equal to \$5,000,000?	YES _____
	NO _____

1 RESOLUTION NO. \_\_\_\_\_

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
3 OF OCEANSIDE ACTING AS THE LEGISLATIVE BODY  
4 OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF  
5 THE CITY OF OCEANSIDE (PACIFIC COAST BUSINESS  
6 PARK) DETERMINING THE NECESSITY TO INCUR  
7 BONDED INDEBTEDNESS WITHIN COMMUNITY  
8 FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF  
9 OCEANSIDE (PACIFIC COAST BUSINESS PARK) AND  
10 CALLING AN ELECTION THEREIN.

11 WHEREAS, on January 18, 2006, the City Council of the City of Oceanside  
12 (“Council”) adopted Resolution No. 06-R0031-1 stating its intention to form Community  
13 Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park)  
14 (“Community Facilities District No. 2006-1” or the “District”) pursuant to the Mello-  
15 Roos Community Facilities Act of 1982, as amended (“Act”);

16 WHEREAS, on January 18, 2006, the Council also adopted Resolution No.  
17 06-R0032-1 stating its intention to incur bonded indebtedness within proposed  
18 Community Facilities District No. 2006-1 in the amount of up to \$12,000,000 for the  
19 proposed District to finance (1) the purchase, construction, modification, expansion,  
20 improvement or rehabilitation of the types of public facilities identified in Attachment  
21 “B” to Resolution No. 06-R0031-1 and incorporated herein by this reference (the  
22 “Facilities”), and (2) the incidental expenses to be incurred in financing the Facilities and  
23 forming and administering the District (the “Incidental Expenses”);

24 WHEREAS, a notice was published and mailed as required by law relative to the  
25 intention of the Council to form Community Facilities District No. 2006-1 and to incur  
26 bonded indebtedness within the District;

27 WHEREAS, on February 22, 2006, this Council held a noticed public hearing to  
28 determine whether it should proceed with the formation of Community Facilities District  
No. 2006-1, issue bonds to pay for the Facilities and Incidental Expenses and authorize  
the rate and method of apportionment of a special tax to be levied within the District for  
the purposes described in Resolution No. 06-R0031-1;

1 WHEREAS, at said hearing all persons desiring to be heard on all matters  
2 pertaining to the formation of Community Facilities District No. 2006-1, the levy of a  
3 special tax and the issuance of bonds to pay for the cost of the proposed Facilities and  
4 Incidental Expenses were heard and a full and fair hearing was held;

5 WHEREAS, the Council, subsequent to such hearing, adopted Resolution No.  
6 06-R\_\_\_\_\_ establishing Community Facilities District No. 2006-1 (the “Resolution of  
7 Formation”); and

8 WHEREAS, the Council desires to make the necessary findings to incur bonded  
9 indebtedness within the District, to declare the purpose for said debt, and to authorize the  
10 submittal of certain propositions to the voters of the District, being the landowners within  
11 the District, all as authorized and required by law.

12 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as  
13 follows:

14 SECTION 1. That it is necessary to incur bonded indebtedness for Community  
15 Facilities District No. 2006-1 in a maximum aggregate principal amount not to exceed  
16 \$12,000,000.

17 SECTION 2. That the indebtedness is to be incurred for the purpose of financing  
18 the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating  
19 the Facilities, as described in Resolution No. 06-R0031-1 and the Resolution of  
20 Formation, financing the Incidental Expenses, and carrying out the powers and purposes  
21 of Community Facilities District No. 2006-1, including, but not limited to, financing the  
22 costs of selling the bonds, establishing and replenishing bond reserve funds and paying  
23 remarketing, credit enhancement and liquidity facility fees and other expenses of the type  
24 authorized by Section 53345.3 of the Act.

25 SECTION 3. That the whole of the property within the District, other than  
26 property exempted from the special tax pursuant to the provisions of the rate and method  
27 of apportionment attached to the Resolution of Formation as Exhibit “A,” shall pay for  
28 the bonded indebtedness of the District pursuant to the levy of the special tax authorized  
by the Resolution of Formation.

1 SECTION 4. That the maximum term of the bonds to be issued shall in no event  
2 exceed 40 years.

3 SECTION 5. That the bonds shall bear interest at the rate or rates not to exceed  
4 the maximum interest rate permitted by law, payable annually or semiannually, or in part  
5 annually and in part semiannually, except the first interest payment may be for a period  
6 of less than six months, with the actual rate or rates and times of payment to be  
7 determined at the time or times of sale thereof.

8 SECTION 6. That the bonds may bear a variable or fixed interest rate, provided  
9 that such variable rate or the fixed rate shall not exceed the maximum rate permitted by  
10 Section 53351 of the Act, or any other applicable provision of law limiting the maximum  
11 interest rate on the bonds.

12 SECTION 7. That pursuant to Section 53351 of the Act, a special election is  
13 hereby called for Community Facilities District No. 2006-1 on the proposition of  
14 incurring the bonded indebtedness for the District. The proposition relative to incurring  
15 bonded indebtedness shall be in the form set forth in Exhibit "B," of the Resolution of  
16 Formation. The election on the proposition of incurring bonded indebtedness shall be  
17 consolidated with the election on the propositions to levy a special tax and to establish an  
18 appropriations limit for the District, which propositions shall be in the forms set forth in  
19 Exhibit "B" of the Resolution of Formation.

20 SECTION 8. That the date of the special election for Community Facilities  
21 District No. 2006-1 shall be February 22, 2006, or such later date as is consented to by  
22 the City Clerk of the City of Oceanside and the landowners within the District. The  
23 election shall be conducted by the City Clerk. Except as otherwise provided by the Act,  
24 the election shall be conducted in accordance with the provisions of law regulating  
25 elections of the City of Oceanside insofar as such provisions are determined by the City  
26 Clerk to be applicable. The City Clerk is authorized to conduct the election following the  
27 adoption of the Resolution of Formation and this resolution, and all ballots shall be  
28 received by, and the City Clerk shall close the election by, 9:00 p.m. on the election day;  
provided the election shall be closed at such earlier time as all qualified electors have

1 voted as provided in Section 53326(d) of the Act. It is hereby found based on  
2 information provided by the Registrar of Voters of the County of San Diego that there are  
3 fewer than 12 registered voters within the territory of Community Facilities District No.  
4 2006-1 and, pursuant to Section 53326 of the Act, the ballots for the special election shall  
5 be distributed in person or by mail with return postage prepaid to the landowners of  
6 record within Community Facilities District No. 2006-1 as of the close of the February  
7 22, 2006 hearing regarding the formation of the District. Each landowner shall have one  
8 vote for each acre or portion thereof that it owns within Community Facilities District  
9 No. 2006-1, as provided in Section 53326 of the Act.

10 PASSED AND ADOPTED by the City Council of the City of Oceanside,  
11 California, acting in its capacity as the legislative body of Community Facilities District  
12 No. 2006-1 of the City of Oceanside (Pacific Coast Business Park), this 22<sup>nd</sup> day of  
13 February, 2006, by the following vote:

14 AYES:

15 NAYS:

16 ABSENT:

17 ABSTAIN:

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21 ATTEST:

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23 \_\_\_\_\_  
City Clerk

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MAYOR OF THE CITY OF  
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APPROVED AS TO FORM:

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE (PACIFIC COAST BUSINESS PARK) DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE (PACIFIC COAST BUSINESS PARK) AND CALLING AN ELECTION THEREIN.

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## CERTIFICATE OF CITY CLERK

I, Barbara Riegel Wayne, City Clerk of the City of Oceanside, hereby certify that I have received a copy of Resolution Nos. 06-R0031-1 and 06-R0032-1, a certified map of the boundaries of Community Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) (the "District") and a list of the Assessor's Parcel Numbers comprising the land within the District, as required by Government Code Section 53326. On the basis of such information, it has been determined that the owners of record at the close of the February 22, 2006 protest hearing are those owners listed on Exhibit A attached hereto. The unanimous consent of such qualified electors waiving all applicable time limits and requirements pertaining to the conduct of the elections and consenting to the holding of the elections on February 22, 2006 has been received and, accordingly, in accordance with Government Code Section 53326(a), the undersigned hereby concurs in the holding of elections within the District on February 22, 2006.

Dated: February 22, 2006

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Barbara Riegel Wayne  
City Clerk of the City of Oceanside

EXHIBIT A

PROPERTY OWNERS OF RECORD AS OF FEBRUARY 22, 2006

<i>OWNER</i>	<i>ASSESSOR PARCEL NUMBERS</i>	<i>ACREAGE</i>
Pacific Coast Business Park, LLC	161-512-06	8.50
	161-512-09	<u>103.99</u>
		112.49

1 RESOLUTION NO. \_\_\_\_\_

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
3 OF OCEANSIDE ACTING IN ITS CAPACITY AS THE  
4 LEGISLATIVE BODY OF COMMUNITY FACILITIES  
5 DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE  
6 (PACIFIC COAST BUSINESS PARK) CERTIFYING THE  
7 RESULTS OF THE FEBRUARY 22, 2006 SPECIAL TAX  
8 AND BOND ELECTION

9 WHEREAS, the City Council of the City of Oceanside (“Council”) called and  
10 duly held an election on February 22, 2006 for the Community Facilities District  
11 No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) (“Community  
12 Facilities District No. 2006-1” or the “District”) pursuant to Resolution No. \_\_\_\_\_ for  
13 the purpose of presenting to the qualified electors within the District the propositions  
14 attached hereto as Exhibit A; and

15 WHEREAS, there has been presented to this Council a certificate of the City Clerk  
16 canvassing the results of the election, a copy of which is attached hereto as Exhibit B;

17 NOW, THEREFORE, the City Council of the City of Oceanside acting in its  
18 capacity as the legislative body of Community Facilities District No. 2006-1 of the City  
19 of Oceanside (Pacific Coast Business Park) does resolve as follows:  
20

21 SECTION 1. That each of the above recitals is true and correct and is adopted by  
22 the legislative body of the District.  
23

24 SECTION 2. That each of Propositions A, B and C presented to the qualified  
25 electors of the District on February 22, 2006 was approved by more than two-thirds of the  
26 votes cast at the election held and Propositions A, B and C and each has carried. The  
27 Council, acting as the legislative body of the District, is hereby authorized to levy on the  
28

1 land within the District the special tax described in Proposition B for the purposes  
2 described therein and to take the necessary steps to levy the special tax authorized by  
3 Proposition B and to issue bonds in an amount not to exceed \$12,000,000 specified in  
4 Proposition A.  
5

6 SECTION 3. That the City Clerk is hereby directed to record in the Office of the  
7 County Recorder within fifteen days of the date hereof a notice of special tax lien for the  
8 District which Bond Counsel to the District shall prepare in the form required by Streets  
9 and Highways Code Section 3114.5.  
10

11 PASSED AND ADOPTED by the City Council of the City of Oceanside,  
12 California, acting in its capacity as the legislative body of Community Facilities District  
13 No. 2006-1 of the City of Oceanside (Pacific Coast Business Park), this 22<sup>nd</sup> day of  
14 February, 2006, by the following vote:  
15

- 16 AYES:  
17  
18 NAYS:  
19  
20 ABSENT:  
21  
22 ABSTAIN:  
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\_\_\_\_\_  
MAYOR OF THE CITY OF  
OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Attorney

A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF OCEANSIDE ACTING IN ITS CAPACITY AS THE  
LEGISLATIVE BODY OF COMMUNITY FACILITIES  
DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE  
(PACIFIC COAST BUSINESS PARK) CERTIFYING THE  
RESULTS OF THE FEBRUARY 22, 2006 SPECIAL TAX  
AND BOND ELECTION

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1 EXHIBIT A

2 SAMPLE

3 OFFICIAL BALLOT

4 CITY OF OCEANSIDE  
5 COMMUNITY FACILITIES DISTRICT NO. 2006-1  
6 (PACIFIC COAST BUSINESS PARK)

7 SPECIAL TAX AND BOND ELECTION

8 February 22, 2006

9 This ballot represents \_\_\_\_\_ votes.

10 To vote, stamp a cross (+) in the voting square after the word "YES" or after the word  
11 "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and  
make the ballot void.

12 If you wrongly mark, tear or deface this ballot, return it to the City Clerk and obtain  
13 another.

14 PROPOSITION A: Shall Community Facilities District No. 2006-1 of the YES \_\_\_\_\_  
15 City of Oceanside (Pacific Coast Business Park) (the "District") incur an NO \_\_\_\_\_  
16 indebtedness and issue bonds for the District in the maximum principal  
17 amount of up to \$12,000,000, with interest at a rate or rates not to exceed  
the maximum interest rate permitted by law, to finance the Facilities and  
the Incidental Expenses described in Resolution No. 06-R0031-1 of the  
City Council of the City of Oceanside?

18 PROPOSITION B: Shall a special tax with a rate and method of YES \_\_\_\_\_  
19 apportionment as provided in Resolution No. 06- R\_\_\_\_\_ of the City NO \_\_\_\_\_  
20 Council of the City of Oceanside be levied within the District to pay for the  
21 Facilities, Incidental Expenses and other purposes described in Resolution  
No. 06-R0031-1, including the payment of the principal of and interest on  
bonds issued to finance the Facilities and Incidental Expenses?

22 PROPOSITION C: For each year commencing with Fiscal Year 2006-07, YES \_\_\_\_\_  
23 shall the appropriations limit, as defined by subdivision (h) of Section 8 of NO \_\_\_\_\_  
24 Article XIII B of the California Constitution, for Community Facilities  
District No. 2006-1 be an amount equal to \$5,000,000?

1 EXHIBIT B

2 CERTIFICATE OF CITY CLERK  
3 AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS  
4 FOR THE DISTRICT

5 I, Barbara Riegel Wayne, City Clerk of the City of Oceanside, do hereby certify that I  
6 have examined the returns of the Special Tax and Bond Election for Community Facilities District  
7 No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) (the "District"). The election was  
8 held in the City Council Chambers located at 300 North Coast Highway, Oceanside, California  
9 92054, on February 22, 2006. I delivered a ballot to the authorized representative of each qualified  
10 elector by personal delivery. \_\_\_\_\_ ( ) ballots were returned.

11 I further certify that the results of said election and the number of votes cast for and  
12 against Propositions A, B and C are as follows:

<u>PROPOSITION A</u>	<u>PROPOSITION B</u>	<u>PROPOSITION C</u>
YES: _____	YES: _____	YES: _____
NO: _____	NO: _____	NO: _____
TOTAL: _____	TOTAL: _____	TOTAL: _____

13 Dated this 22<sup>nd</sup> day of February, 2006.

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Barbara Riegel Wayne  
City Clerk of the City of Oceanside

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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE (PACIFIC COAST BUSINESS PARK) AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH DISTRICT

WHEREAS, on January 18, 2006, the City Council of the City of Oceanside (the “Council”) adopted Resolution No. 06-R0031-1 declaring its intention to form Community Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) (“Community Facilities District No. 2006-1” or the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”), and adopted Resolution No. 06-R0032-1 declaring its intention to incur bonded indebtedness within the District; and

WHEREAS, on February 22, 2006, after providing all notices required by the Act, the Council held a noticed public hearing required by the Act relative to the formation of Community Facilities District No. 2006-1, the proposed levy of a special tax within the District to finance certain public facilities described in Resolution No. 06-R0031-1, and to secure the payment of any bonded indebtedness of the District, and the proposed issuance of up to \$12,000,000 of bonded indebtedness for the District; and

WHEREAS, at the February 22, 2006, public hearing, all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No.

1 2006-1, the proposed levy of the special tax within the District to finance the facilities  
2 described in Resolution No. 06-R0031-1 the proposed issuance of bonded indebtedness  
3 within the District were heard and a full and fair hearing was held; and  
4

5 WHEREAS, on February 22, 2006, following the close of the public hearing, the  
6 Council adopted Resolution Nos. \_\_\_\_\_ (the "Resolution of Formation") and  
7 \_\_\_\_\_ (the "Resolution to Incur Bonded Indebtedness") which called a special  
8 election that was held on February 22, 2006 within Community Facilities District No.  
9 2006-1 on three propositions relating to the levying of a special tax, the incurring of  
10 bonded indebtedness, and the establishment of an appropriations limit for the District;  
11 and  
12

13 WHEREAS, on February 22, 2006, a special election was held for the District at  
14 which the qualified electors approved by more than a two-thirds vote Propositions A, B  
15 and C authorizing the levy of a special tax within the District for the purposes described  
16 in the Resolution of Formation and the issuance of bonded indebtedness for the District  
17 as described in the Resolution to Incur Bonded Indebtedness;  
18

19 NOW, THEREFORE, the City Council of the City of Oceanside, acting in its  
20 capacity as the legislative body of Community Facilities District No. 2006-1 of the City  
21 of Oceanside (Pacific Coast Business Park) does ordain as follows:  
22

23 SECTION 1. The above recitals are all true and correct.  
24

25 SECTION 2. By the passage of this Ordinance, the Council authorizes the levy of  
26 a special tax within Community Facilities District No. 2006-1 at the maximum rates and  
27 in accordance with the rate and method of apportionment set forth in Exhibit "A" to the  
28

1 Resolution of Formation, which rate and method of apportionment is incorporated by  
2 reference herein (the "Rate and Method").

3 SECTION 3. The Council is hereby further authorized to determine in each  
4 subsequent fiscal year, by ordinance, or by resolution if permitted by then applicable law,  
5 on or before August 10 of each year, or such later date as is permitted by law, the specific  
6 special tax rate and amount to be levied on each parcel of land in Community Facilities  
7 District No. 2006-1 pursuant to the Rate and Method. The special tax rate to be levied  
8 pursuant to the Rate and Method shall not exceed the applicable maximum rates set forth  
9 therein, but the special tax may be levied at a lower rate.  
10  
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12 SECTION 4. Properties or entities of the state, federal or other local governments  
13 shall be exempt from the special tax, except as otherwise provided in Sections 53317.3  
14 and 53317.5 of the Act and the Rate and Method, as applicable. No other properties or  
15 entities are exempt from the special tax unless the properties or entities are expressly  
16 exempted in the Resolution of Formation, or in a resolution of consideration to levy a  
17 new special tax or special taxes or to alter the rate or method of apportionment of an  
18 existing special tax as provided in Section 53334 of the Act.  
19  
20

21 SECTION 5. All of the collections of the special tax pursuant to the Rate and  
22 Method shall be used as provided for in the Act and the Resolution of Formation. The  
23 special tax shall be levied within the District only so long as needed for the purposes  
24 described in the Resolution of Formation.  
25

26 SECTION 6. The special tax levied pursuant to the Rate and Method shall be  
27 collected in the same manner as ordinary ad valorem property taxes are collected and  
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1 shall be subject to the same penalties and the same procedure, sale and lien priority in  
2 case of delinquency as is provided for ad valorem taxes (which such procedures include  
3 the exercise of all rights and remedies permitted by law to make corrections, including,  
4 but not limited to, the issuance of amended or supplemental tax bills), as such procedure  
5 may be modified by law or by this Council from time to time.  
6

7 SECTION 7. As a cumulative remedy, if any amount levied as a special tax for  
8 payment of the interest or principal of any bonded indebtedness of the District, together  
9 with any penalties and other charges accruing under this Ordinance, are not paid when  
10 due, the Council may, not later than four years after the due date of the last installment of  
11 principal on the Bonds, order that the same be collected by an action brought in the  
12 superior court to foreclose the lien of such special tax.  
13  
14

15 SECTION 8. The specific authorization for adoption is pursuant to the provisions  
16 of Section 53340 of the Act.  
17

18 SECTION 9. The City Clerk is hereby authorized to transmit a certified copy of  
19 this Ordinance to the San Diego County Assessor and Treasurer-Tax Collector, and to  
20 perform all other acts, including publication of this Ordinance or a summary thereof,  
21 which are required by the Act, this Ordinance or by law in order to accomplish the  
22 purpose of this Ordinance.  
23

24 SECTION 10. That a full reading of this Ordinance is dispensed with prior to its  
25 final passage, a written or printed copy having been available to the Council and the  
26 public a day prior to its final passage.  
27

28 SECTION 11. That this Ordinance shall take effect and be in force on the thirtieth

1 day from and after its passage.

2 SECTION 12. This Ordinance shall not be codified.

3 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,  
4 California, held on the 22<sup>nd</sup> day of February, 2006, and, thereafter,  
5

6 PASSED AND ADOPTED by the City Council of the City of Oceanside,  
7 California, acting in its capacity as the legislative body of Community Facilities District  
8 No. 2006-1 of the City of Oceanside (Pacific Coast Business Park), this \_\_\_\_ day of  
9 March, 2006, by the following vote:  
10

11 AYES:

12 NAYS:

13 ABSENT:

14 ABSTAIN:  
15  
16  
17

18 \_\_\_\_\_  
MAYOR OF THE CITY OF  
19 OCEANSIDE

20  
21 ATTEST:

APPROVED AS TO FORM:

22  
23 \_\_\_\_\_  
City Clerk

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25 \_\_\_\_\_  
City Attorney