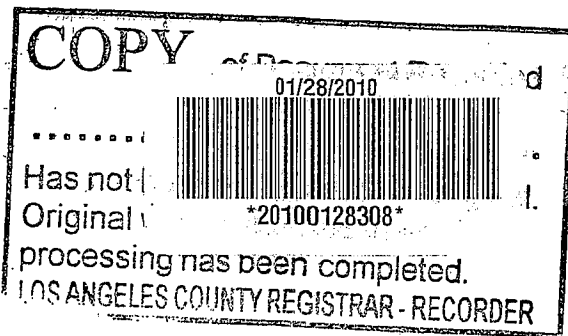


RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

City of West Covina  
1444 W. Garvey Avenue  
West Covina, CA 91790  
Attention: City Clerk



## NOTICE OF SPECIAL TAX LIEN

### CITY OF WEST COVINA COMMUNITY FACILITIES DISTRICT NO. 2009-1

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), the undersigned City Clerk of the City of West Covina, County of Los Angeles, State of California, hereby gives notice (the "Notice") of the foregoing and that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of West Covina, County of Los Angeles, State of California. The special tax secured by this lien is authorized to be levied for the purpose of financing the costs of services as described in Exhibit "A".

The special tax is authorized to be levied within the City of West Covina Community Facilities District No. 2009-1 (the "District"), which has now been officially formed and the lien of special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with the Section 53330.5 of the Act.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in the rate and method of apportionment of the special tax (the "Rate and Method") attached hereto as Exhibit "B" and by this reference incorporated herein.

Notice is further given that upon the recording of this Notice in the office of the County Recorder of the County of Los Angeles, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the District, in accordance with Section 3115.5 of the California Streets and Highways Code.

The names of the owner(s) and the assessor's tax parcel number(s) of the real property included within the District and not exempt from the special tax are as set forth in Exhibit "C" attached hereto and by this reference made a part hereof.

Reference is made to the boundary map of the District recorded on March 16, 2009 in Book 193 of Maps of Assessment and Community Facilities Districts at Page(s) 20, in the office of the County Recorder for the County of Los Angeles, State of California, which map is the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director

of Public Works / City Engineer at the City of West Covina, 1444 W. Garvey Avenue, West Covina, California 91790, telephone number (626) 939-8425.

Dated: 1/26/10

By: Susan Rush

Susan Rush  
Assistant City Clerk  
City of West Covina

**EXHIBIT A**

**DESCRIPTION OF SERVICES**

## DESCRIPTION OF SERVICES

The Services of the District will include annual and periodic costs for the operation, maintenance, and rehabilitation of roadway facilities, storm drains, and trails necessary for the development of properties within the District, including but not limited to (i) costs of contracting services, (ii) related appurtenant facilities, equipment, and supplies, (iii) the salaries and benefits of City staff that directly provide roadway maintenance, and (iv) City overhead costs associated with providing such services within the District.

**EXHIBIT B**

**RATE AND METHOD OF APPORTIONMENT**

# RATE AND METHOD OF APPORTIONMENT

## CITY OF WEST COVINA

### COMMUNITY FACILITIES DISTRICT NO. 2009-1

A special tax as hereinafter defined shall be levied on and collected for Community Facilities District No. 2009-1 of the City of West Covina each Fiscal Year, commencing in Fiscal Year 2009-2010, in an amount determined by the City Council of the City of West Covina through the application of the appropriate Special Tax for "Developed Property" and "Undeveloped Property" as described below. All of the real property in CFD No. 2009-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**"Acre" or "Acreage"** means the area of a Parcel as shown on the latest maps of the Assessor of the County of Los Angeles, or if the area of such Parcel is not shown on such Assessor's maps, the area as shown on a current recorded subdivision map, parcel map, record of survey or other recorded document creating or describing the Parcel. If the preceding maps are not available, the area shall be determined by the City Engineer.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended.

**"Administrative Expenses"** means the direct and indirect expenses incurred by the City in carrying out its duties with respect to CFD No. 2009-1 (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of its counsel, any fees of the County related to CFD No. 2009-1 or the collection of special taxes; an allocable share of the salaries of City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to CFD No. 2009-1, and all other costs and expenses of the City related to the administration of CFD No. 2009-1.

**"Annual Escalation Factor"** means the lesser of the annual percentage change in the January to January Los Angeles Metropolitan Area All Urban Consumer Price Index (All items) or the annual percentage change in the estimated California Fourth Quarter Per Capita Personal income as contained in the Governor's budget published every January.

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

**"Assigned Special Tax"** means the Special Tax authorized to be levied within CFD No. 2009-1 pursuant to the Act as described in Section D herein to fund the Special Tax Requirement.

**"Backup Special Tax"** means the Special Tax authorized to be levied within CFD No. 2009-1 pursuant to the Act as described in Section E herein to fund the Special Tax Requirement.

**“Base Year”** means Fiscal Year ending June 30, 2009.

**“Building Square Footage”** or **“BSF”** means for Non-Residential Property, all of the square footage within the perimeter of a non-residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of “Building Square Footage” for a non-residential structure will be based on the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the Department of Public Works.

**“Certificate of Occupancy”** means a certificate, including temporary certificates, issued by the City that authorizes the actual occupancy of a structure.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for the levy and collection of the Special Taxes.

**“CFD No. 2009-1”** means Community Facilities District No. 2009-1 of the City of West Covina.

**“City”** means the City of West Covina.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 2009-1.

**“County”** means the County of Los Angeles, California.

**“Developed Property”** means all Assessor’s Parcels within CFD No. 2009-1 for which a Certificate of Occupancy was issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was created on or before January 1 of the prior Fiscal Year and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the CFD Administrator.

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

**“Maximum Special Tax”** means the maximum Special Tax determined in accordance with Section C, which can be levied by CFD No. 2009-1 in any Fiscal Year on an Assessor’s Parcel of Taxable Property within CFD No. 2009-1.

**“Proportionately”** means, for Developed Property, the ratio of the actual Special Tax levied on Developed Property to the Assigned Special Tax for Developed Property are equal for all Developed Property subject to such Special Tax, or when the Backup Special Tax is being levied, the ratio of the increase of the actual Special Tax levied on Developed Property from the Assigned Special Tax to the Backup Special Tax within each Zone are equal for all Developed Property within such Zone that are subject to Backup Special Tax.

**“Public Property”** means any property within the boundaries of CFD No. 2009-1 that is owned by or irrevocably dedicated to the City, the federal government, the State of California, the County, or other public agency or is used for public purposes.

**“Services”** means the annual and periodic costs for the operation, maintenance, and rehabilitation of roadway facilities, storm drains, and trails necessary for the development of properties within CFD No. 2009-1, including but not limited to (i) costs of contracting services, (ii) related appurtenant facilities, equipment, and supplies, (iii) the salaries and benefits of City staff that directly provide roadway maintenance, and (iv) City overhead costs associated with providing such services within CFD No. 2009-1. The services shall include the following maintenance for each street segment identified below:

- a. Street Segment A;
- b. Street Segment B;
- c. Street Segment C;
- d. Street Segment D;

“Special Tax” means the special tax or special taxes authorized to be levied within CFD No. 2009-1 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for CFD No. 2009-1 to fund: (i) the Services for Street Segments A, B, C, and D, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established, and (iv) any delinquencies in the payment of the Special Tax which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of the Special Tax, are expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” means all Assessors’ Parcels within the boundaries of CFD No. 2009-1 or any future annexation that are not exempt from the Special Tax pursuant to law or as defined herein.

“Tax-Exempt Property” means an Assessor’s Parcel not subject to the Special Tax as defined under Section H.

“Undeveloped Property” means an Assessor’s Parcel within CFD No. 2009-1 for which a Certificate of Occupancy has not been issued and is not classified as Public Property.

“Taxable Property” means all real property or Assessor’s Parcels within the boundaries of CFD No. 2009-1 which are not exempt from the Special Tax pursuant to the law or which are not defined as Exempt Property herein.

“Zone” means one of the four mutually exclusive geographic areas defined below.

- “Zone A” means the area within CFD No. 2009-1 designated as zone A by reference to the Boundary Map, which receives access to property from Street Segment A.
- “Zone B” means the area within CFD No. 2009-1 designated as zone B by reference to the Boundary Map, which receives access to property from Street Segment B.
- “Zone C” means the area within CFD No. 2009-1 designated as zone C by reference to the Boundary Map, which receives access to property from Street Segment C.
- “Zone D” means the area within CFD No. 2009-1 designated as zone D by reference to the Boundary Map, which receives access to property from Street Segment D.

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

Each Fiscal Year, commencing with Fiscal Year 2009-2010, all Assessor’s Parcels within CFD No. 2009-1 shall be classified as either Taxable Property or Tax-Exempt Property, using the definitions in Section A. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property and Undeveloped Property. All Taxable Property shall be subject to Special Taxes pursuant to Sections C, D, and E.



**C. MAXIMUM SPECIAL TAX RATE**

**1. Developed Property**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the amount determined by the greater of (i) the application of the Assigned Special Tax set forth in Section D.1 or (ii) the application of the Backup Special Tax as set forth in Section E.1.

**2. Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property shall be the amount determined by application of the Assigned Special Tax set forth in Section D.2.

**D. ASSIGNED SPECIAL TAXES**

**1. Developed Property**

Each Fiscal Year commencing in Fiscal Year 2009-2010, each Assessor's Parcel of Developed Property within CFD No. 2009-1 shall be subject to an Assigned Special Tax. The Assigned Special Tax for Developed Property within each Zone is shown in Table 1.

TABLE 1

**DEVELOPED PROPERTY  
ASSIGNED SPECIAL TAX**

Zone	Assigned Special Tax
Zone A	\$0.0525 per BSF
Zone B	\$0.0733 per BSF
Zone C	\$0.0694 per BSF
Zone D	\$1.2075 per BSF

For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax for Developed Property shall be increased in accordance with the Annual Escalation Factor.

**2. Undeveloped Property**

Each Fiscal Year commencing in Fiscal Year 2009-2010, each Assessor's Parcel of Undeveloped Property within CFD No. 2009-1 shall be subject to an Assigned Special Tax. The Assigned Special Tax for Undeveloped Property within each Zone is shown in Table 2.

**TABLE 2**  
**UNDEVELOPED PROPERTY**  
**ASSIGNED SPECIAL TAX**

Zone	Assigned Special Tax
Zone A	\$512.42 per Acre
Zone B	\$699.64 per Acre
Zone C	\$1,454.15 per Acre
Zone D	\$228.21 per Acre

For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax for Undeveloped Property shall be increased in accordance with the Annual Escalation Factor.

**E. BACKUP SPECIAL TAXES**

Each Fiscal Year commencing in Fiscal Year 2009-2010, each Assessor's Parcel of Developed Property within CFD No. 2009-1 shall be subject to a Backup Special Tax. The Backup Special Tax for Developed Property within each Zone shall be equal to the Assigned Special Tax for Undeveloped Property within each Zone identified in Table 2 above.

**F. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing Fiscal Year 2009-2010 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property within CFD No. 2009-1 until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within each Zone, up to 100% of the applicable Assigned Special Tax for each Zone as needed to satisfy the Special Tax Requirement.

Step Two: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment A after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zones A and B, up to 100% of the applicable Assigned Special Tax for Undeveloped Property within each Zone, as needed to satisfy the Special Tax Requirement for Street Segment A.

Step Three: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment A after the first two steps have been completed, the Backup Special Tax shall be levied Proportionately on all Developed Property within Zones A and B, Proportionately up to 100% of the Backup Special Tax for each applicable Zone, as needed to satisfy the Special Tax Requirement for Street Segment A.

Step Four: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment B after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property

within Zone B, up to 100% of the applicable Assigned Special Tax for Undeveloped Property within Zone B, as needed to satisfy the Special Tax Requirement for Street Segment B.

Step Five: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment B after Steps 1 and 4 have been completed, the Backup Special Tax shall be levied Proportionately on all Developed Property within Zones B, C, and D, whose Street Segment has been accepted for maintenance by the City, Proportionately up to 100% of the Backup Special Tax for each applicable Zone, as needed to satisfy the Special Tax Requirement for Street Segment B.

Step Six: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment C after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone C, up to 100% of the applicable Assigned Special Tax for Undeveloped Property within Zone C, as needed to satisfy the Special Tax Requirement for Street Segment C.

Step Seven: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment C after Steps 1 and 6 have been completed, the Backup Special Tax shall be levied Proportionately on all Developed Property within Zones C and D, whose Street Segment has been accepted for maintenance by the City, Proportionately up to 100% of the Backup Special Tax for each applicable Zone, as needed to satisfy the Special Tax Requirement for Street Segment C.

Step Eight: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment D after Step a has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone D, up to 100% of the applicable Assigned Special Tax for Undeveloped Property within Zone D, as needed to satisfy the Special Tax Requirement for Street Segment D.

Step Nine: If additional monies are needed to satisfy the Special Tax Requirement for Street Segment D after the Steps 1 and 8 have been completed, the Backup Special Tax shall be levied Proportionately on all Developed Property within Zones D Proportionately up to 100% of the Backup Special Tax for Zone D, as needed to satisfy the Special Tax Requirement for Street Segment D.

## **G. TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity to fund the Services.

## **H. EXEMPTIONS**

The City shall classify as Exempt Property: (i) Public Property, or (ii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement.

**I. APPEALS**

Any taxpayer who believes that the amount of the Special Tax assigned to a parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year in which the error is believed to have occurred. The City and/or CFD Administrator will then promptly review the appeal and, if necessary, meet with the taxpayer. If the City and/or CFD Administrator verify that the tax should be changed, the Special Tax levy shall be corrected and, a credit shall be applied to the Special Tax in the subsequent Fiscal Year.

**J. MANNER OF COLLECTION**

All Special Taxes applicable to Parcels shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, and Special Taxes so levied will be subject to the same penalties and procedures, sale and lien priority in case of delinquency as is provided for ad valorem taxes.

**EXHIBIT C**

**OWNER NAMES AND ASSESSOR'S PARCEL NUMBERS**

OWNER NAMES AND ASSESSOR'S PARCEL NUMBERS

ASSESSOR'S PARCEL NO.	OWNER NAME
8735-001-010	M & A GABAE
8735-001-011	M & A GABAE
8735-001-012	M & A GABAE
8735-001-013	M & A GABAE
8735-001-014	M & A GABAE
8735-001-015	M & A GABAE
8735-001-912	COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF WEST CITY OF WEST COVINA
8735-001-913	CITY OF WEST COVINA
8735-001-914	CITY OF WEST COVINA
8735-002-906	COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF WEST
8735-002-907	COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF WEST
8735-002-908	COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF WEST