

EXHIBIT A

CITY OF MERCED COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES)

AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX (as of [ROI Date])

A Special Tax applicable to each Assessor Parcel in the City of Merced Community Facilities District No. 2003-2 (Services) shall be levied and collected according to the tax liability determined by the City of Merced or its designee, through the application of this Amended Rate and Method of Apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless otherwise provided for the annexed property.

SECTION A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acre” or “Acreage” means the land area of an Assessor Parcel as shown on an Assessor Parcel map, or if the land area is not shown on an Assessor Parcel map, the land area shown on the applicable final map or other parcel map recorded with the County.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the expenses of the CFD or the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, costs related to annexing property into the CFD, and all other costs and expenses of the CFD or the City in any way related to the establishment or administration of the CFD.

“Administrator” means the person or firm designated by the CFD or the City to administer the Special Tax according to the Rate and Method.

“Annexation #1” means the date the owners of Assessor Parcels in Improvement Area #3 and Improvement Areas #9 through #15 elected to annex into the CFD.

“Annexation #2” means the date the owners of Assessor Parcels in Improvement Area #7 elected to annex into the CFD.

“Annexation #3” means the date the owners of Assessor Parcels in Improvement Areas #16 through #22 elected to annex into the CFD.

"Annexation #4" means the date the owners of Assessor Parcels in Improvement Areas #23 through #25 and Improvement Area #27 elected to annex into the CFD.

"Annexation #5" means the date the owners of Assessor Parcels in Improvement Area #26 elected to annex into the CFD.

"Annexation #6" means the date the owners of Assessor Parcels in Improvement Area #28 elected to annex into the CFD.

"Annexation #7" means the date the owners of Assessor Parcels in Improvement Areas #29 through #31 elected to annex into the CFD.

"Annexation #8" means the date the owners of Assessor Parcels in Improvement Area #32 elected to annex into the CFD.

"Annexation #9" means the date the owners of Assessor Parcels in Improvement Area #33 elected to annex into the CFD.

"Annexation #10" means the date the owners of Assessor Parcels in Improvement Area #34 elected to annex into the CFD.

"Annexation #11" means the date the owners of Assessor Parcels in Improvement Area #35 elected to annex into the CFD.

"Annexation #12" means the date the owners of Assessor Parcels in Improvement Area #36 elected to annex into the CFD.

"Annexation #13" means the date the owners of Assessor Parcels in Improvement Area #38 elected to annex into the CFD.

"Annexation #14" means the date the owners of Assessor Parcels in Improvement Area #40 elected to annex into the CFD.

"Annexation #15" means the date the owners of Assessor Parcels in Improvement Area #39 elected to annex into the CFD.

"Annexation #16" means the date the owners of Assessor Parcels in Phase 2 of Moraga of Merced within Improvement Area #22 elected to annex into the CFD.

"Annexation #17" means the date the owners of Assessor Parcels in Improvement Area #45 elected to annex into the CFD.

"Annexation #18" means the date the owners of Assessor Parcels in Improvement Area #42 elect to annex into the CFD.

"Annexation #19" means the date the owners of Assessor Parcels in Improvement Area #43 elected to annex into the CFD.

"Annexation #20" means the date the owners of Assessor Parcels in Improvement Area #46 elected to annex into the CFD.

"Annexation #21" means the date the owners of Assessor Parcels in Improvement Area #47 elected to annex into the CFD.

"Annexation #22" means the date the owners of Assessor Parcels in Improvement Area #48 elected to annex into the CFD.

"Annexation #23" means the date the owners of Assessor Parcels in Improvement Area #49 elected to annex into the CFD.

"Annexation #24" means the date the owners of Assessor Parcels in Improvement Area #41 elected to annex into the CFD.

"Annexation #25" means the date the owners of Assessor Parcels in Improvement Area #50 elected to annex into the CFD.

"Annexation #26" means the date the owners of Assessor Parcels in Improvement Area #51 elected to annex into the CFD.

"Annexation #27" means the date the owners of Assessor Parcels in Improvement Area #44 elected to annex into the CFD.

"Assessor Parcel" means a lot or parcel with an assigned County Assessor's Parcel number shown on a County Assessor's Parcel map.

"Average Increase" means the annual average increase in the Indices that shall be applied to escalate the Maximum Special Tax each Fiscal Year. The Average Increase shall be calculated in January of each year by (1) referencing the Bureau of Labor Statistics Data to identify the annual percentage increase in each Index as of the end of the prior year, and (2) taking the average of these two percentages. If either Index decreases from one year to the next, the percentage change from the prior year shall be assumed to be zero for purposes of calculating the Average Increase.

"CFD" means the City of Merced Community Facilities District No. 2003-2.

"CFD Formation" means the date the owners of Assessor Parcels in Improvement Areas #1 through #6 elected to form the CFD.

"City" means the City of Merced.

"City Council" means the council of the City of Merced, acting as the legislative body of the CFD.

"County" means the County of Merced.

"Developed Property" means all Taxable Property in the CFD for which a building permit for new construction was issued by the City prior to May 1 of the preceding Fiscal Year.

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

“Improvement Area” means one of the fifty-one (51) mutually exclusive geographic areas defined below and identified in Attachment 1 of this Rate and Method, and any subsequent Improvement Areas created to contain property annexed into the CFD after CFD Formation.

“Improvement Area #1” means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bellevue Ranch East (Phases 1 and 2) project and is specifically identified in Attachment 1 hereto as Improvement Area #1.

“Improvement Area #2” means the geographic area that, at CFD Formation, was generally known as the Compass Pointe project and is specifically identified in Attachment 1 hereto as Improvement Area #2.

“Improvement Area #3” means the geographic area that, at CFD Formation, Annexation #1, and Annexation #3, was generally known as the Sandcastle project and is specifically identified in Attachment 1 hereto as Improvement Area #3.

“Improvement Area #4” means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bright Development project and is specifically identified in Attachment 1 hereto as Improvement Area #4.

“Improvement Area #5” means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Renaissance project and is specifically identified in Attachment 1 hereto as Improvement Area #5.

“Improvement Area #6” means the geographic area that, at CFD Formation, was generally known as the Big Valley project and is specifically identified in Attachment 1 hereto as Improvement Area #6.

“Improvement Area #7” means the geographic area that, at Annexation #2, was generally known as the Bellevue Ranch West project and is specifically identified in Attachment 1 hereto as Improvement Area #7.

“Improvement Area #8” is intentionally excluded.

“Improvement Area #9” means the geographic area that, at Annexation #1, was generally known as the University Park Residential project and is specifically identified in Attachment 1 hereto as Improvement Area #9.

“Improvement Area #10” means the geographic area that, at Annexation #1, was generally known as the Tuscany project and is specifically identified in Attachment 1 hereto as Improvement Area #10.

“Improvement Area #11” means the geographic area that, at Annexation #1, was generally known as the Provance project and is specifically identified in Attachment 1 hereto as Improvement Area #11.

“Improvement Area #12” means the geographic area that, at Annexation #1, was generally known as the Promenade project and is specifically identified in Attachment 1 hereto as Improvement Area #12.

“Improvement Area #13” means the geographic area that, at Annexation #1, was generally known as the Alfarata Ranch Unit 2 project and is specifically identified in Attachment 1 hereto as Improvement Area #13.

“Improvement Area #14” means the geographic area that, at Annexation #1 and Annexation #2, was generally known as the Franco project and is specifically identified in Attachment 1 hereto as Improvement Area #14.

“Improvement Area #15” means the geographic area that, at Annexation #1, was generally known as the Cottages project and is specifically identified in Attachment 1 hereto as Improvement Area #15.

“Improvement Area #16” means the geographic area that, at Annexation #3, was generally known as the Tuscany East project and is specifically identified in Attachment 1 hereto as Improvement Area #16.

“Improvement Area #17” means the geographic area that, at Annexation #3, was generally known as the Hartley Crossings project and is specifically identified in Attachment 1 hereto as Improvement Area #17.

“Improvement Area #18” means the geographic area that, at Annexation #3, was generally known as The Crossing at River Oaks project and is specifically identified in Attachment 1 hereto as Improvement Area #18.

“Improvement Area #19” means the geographic area that, at Annexation #3, was generally known as the Mohamed Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #19.

“Improvement Area #20” means the geographic area that, at Annexation #3, was generally known as the Sunnyview Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #20.

“Improvement Area #21” means the geographic area that, at Annexation #3, was generally known as the University Park II project and is specifically identified in Attachment 1 hereto as Improvement Area #21.

“Improvement Area #22” means the geographic area that, at Annexation #3, was generally known as the Moraga of Merced Lakemont Homes project and at Annexation #16, was generally known as Phase 2 of Moraga of Merced, and is specifically identified in Attachment 1 hereto as Improvement Area #22.

“Improvement Area #23” means the geographic area that, at Annexation #4, was generally known as the Mission Ranch project and is specifically identified in Attachment 1 hereto as Improvement Area #23.

“Improvement Area #24” means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace (Phases 6 and 7) project and is specifically identified in Attachment 1 hereto as Improvement Area #24.

“Improvement Area #25” means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace East project and is specifically identified in Attachment 1 hereto as Improvement Area #25.

“Improvement Area #26” means the geographic area that, at Annexation #5, was generally known as The Meadows project and is specifically identified in Attachment 1 hereto as Improvement Area #26.

“Improvement Area #27” means the geographic area that, at Annexation #4, was generally known as the Lantana Estates South project and is specifically identified in Attachment 1 hereto as Improvement Area #27.

“Improvement Area #28” means the geographic area that, at Annexation #6, was generally known as The Meadows #2 project and is specifically identified in Attachment 1 hereto as Improvement Area #28.

“Improvement Area #29” means the geographic area that, at Annexation #7, was generally known as the Paseo project and is specifically identified in Attachment 1 hereto as Improvement Area #29.

“Improvement Area #30” means the geographic area that, at Annexation #7, was generally known as the Highland Park project and is specifically identified in Attachment 1 hereto as Improvement Area #30.

“Improvement Area #31” means the geographic area that, at Annexation #7, was generally known as the Mercy Hospital project and is specifically identified in Attachment 1 hereto as Improvement Area #31.

“Improvement Area #32” means the geographic area that, at Annexation #8, was generally known as the Fahrens Park Plaza project and is specifically identified in Attachment 1 hereto as Improvement Area #32.

“Improvement Area #33” means the geographic area that, at Annexation #9, was generally known as the Mansionette Estates No. 5 project and is specifically identified in Attachment 1 hereto as Improvement Area #33.

“Improvement Area #34” means the geographic area that, at Annexation #10, was generally known as the Northview Professional Center project and is specifically identified in Attachment 1 hereto as Improvement Area #34.

“Improvement Area #35” means the geographic area that, at Annexation #11, was generally known as the Compass Pointe Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #35.

"Improvement Area #36" means the geographic area that, at Annexation #12, was generally known as the Merced Station project and is specifically identified in Attachment 1 hereto as Improvement Area #36.

"Improvement Area #37" is reserved for future use.

"Improvement Area #38" means the geographic area that, at Annexation #13, was generally known as the PG&E Merced Regional Service Center project and is specifically identified in Attachment 1 hereto as Improvement Area #38.

"Improvement Area #39" means the geographic area that, at Annexation #15, was generally known as the Merced Gateway Park project and is specifically identified in Attachment 1 hereto as Improvement Area #39.

"Improvement Area #40" means the geographic area that, at Annexation #14, was generally known as the Stone Ridge South project and is specifically identified in Attachment 1 hereto as Improvement Area #40.

"Improvement Area #41" means the geographic area that, at Annexation #24, was generally known as the Bellevue Ranch North Villages 23 and 24 project and is specifically identified in Attachment 1 hereto as Improvement Area #41.

"Improvement Area #42" means the geographic area that, at Annexation #18, was generally known as the Compass Pointe Apartments Phase 2 project and is specifically identified in Attachment 1 hereto as Improvement Area #42.

"Improvement Area #43" means the geographic area that, at Annexation #19, was generally known as the Highway 59 & Santa Fe Drive AM/PM project and is specifically identified in Attachment 1 hereto as Improvement Area #43.

"Improvement Area #44" means the geographic area that, at Annexation #27, was generally known as the Stone Ridge West 108 project and is specifically identified in Attachment 1 hereto as Improvement Area #44.

"Improvement Area #45" means the geographic area that, at Annexation #17, was generally known as the Yosemite Crossing project and is specifically identified in Attachment 1 hereto as Improvement Area #45.

"Improvement Area #46" means the geographic area that, at Annexation #20, was generally known as the Sage Creek project and is specifically identified in Attachment 1 hereto as Improvement Area #46.

"Improvement Area #47" means the geographic area that, at Annexation #21, was generally known as the Hub 2.0 Merced Student Housing project and is specifically identified in Attachment 1 hereto as Improvement Area #47.

“Improvement Area #48” means the geographic area that, at Annexation #22, was generally known as the Merzoian Estates project and is specifically identified in Attachment 1 hereto as Improvement Area #48.

“Improvement Area #49” means the geographic area that, at Annexation #23, was generally known as the Campus Parkway Plaza project and is specifically identified in Attachment 1 hereto as Improvement Area #49.

“Improvement Area #50” means the geographic area that, at Annexation #25, was generally known as The Palisades project and is specifically identified in Attachment 1 hereto as Improvement Area #50.

“Improvement Area #51” means the geographic area that, at Annexation #26, was generally known as the Capella Terrace project and is specifically identified in Attachment 1 hereto as Improvement Area #51.

“Index or Indices” means the Consumer Price Index (CPI) for the San Francisco All Urban Wage Earners Category and the National CPI.

“Industrial Property” means any Developed Property for which a building permit was issued for construction of a building that will be used primarily for warehousing, distribution, manufacturing, processing, or related activities, as determined by the Administrator using reasonable and established City zoning and other land use standards.

“Lower Income Household Welfare Exemption Property” means, for each Fiscal Year, the portion of an Assessor Parcel within the boundaries of the CFD that has received a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the most recent County assessor’s roll finalized in such Fiscal Year.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied in any Fiscal Year determined under this Rate and Method.

“Multi-Family Residential Property” means all Assessor Parcels of Developed Property for which a building permit was issued for construction of a residential structure with multiple Units, all of which are offered for rent to the general public and are not available for sale to individual owners.

“Office Property” means any Developed Property for which a building permit was issued for construction of a building that will be divided primarily into individual offices (including cubicles or other modular office space) for use by companies to conduct business, as determined by the Administrator using reasonable and established City zoning and other land use standards.

“Other Property” means any Developed Property that is not Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, or Industrial Property. Developed Property within Improvement Area #31 shall be categorized as Other Property.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor Parcels of Developed Property.

“Public Property” means any CFD Assessor Parcels owned by or irrevocably offered for dedication to the United States of America, the State of California, the County, the City, or other local governments or public agencies.

“Rate and Method” means this Amended Rate and Method of Apportionment of Special Tax.

“Retail Property” means any Developed Property for which a building permit was issued for construction of a building that will include primarily commercial establishments which sell general merchandise, hard goods, personal services, and other items directly to consumers, including but not limited to travel agencies, hardware stores, food stores, automotive dealers, service stations, home furnishing stores, restaurants, bars, banks, repair shops, movie theaters, day care centers, and art galleries, as determined by the Administrator using reasonable and established City zoning and other land use standards.

“Services” means the services authorized to be financed, in whole or in part, by the Special Taxes in the CFD.

“Single Family Residential Property” means any Developed Property for which a building permit was issued for construction of: (i) a Unit that does not share a common wall with another Unit; or (ii) two or more Units that share common walls and are initially offered for sale to individual owners, including condominiums as defined under California Civil Code 1351.

“Special Tax” means any tax levied in the CFD pursuant to the Rate and Method.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay the cost of the Services; (ii) create a sinking fund for Services that could not otherwise be funded in a given Fiscal Year; (iii) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; and (iv) pay Administrative Expenses.

“Square Foot,” “Square Footage,” or “Square Feet” means the floor area square footage reflected on the original construction building permit issued for construction of a Unit or a building of Retail Property, Office Property, Industrial Property, or Other Property and any Square Footage subsequently added to a Unit or a building of such Taxable Property after issuance of a building permit for expansion or renovation of such Unit or building.

“Taxable Property” means any Assessor Parcel within the CFD which is not exempt from the Special Tax by applicable law or Section F below.

“Unit” means a structure constructed primarily for human habitation, which may be an individual detached residential unit, an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure, or an individual apartment unit.

SECTION B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor Parcel numbers of all Taxable Property. The Administrator shall also determine: (i) within which Improvement Area each Assessor Parcel is located; (ii) whether each Assessor Parcel is Developed Property; (iii) for Developed Property, which Assessor Parcels are Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, Industrial Property, and Other Property; (iv) also for Developed Property, the Unit or building Square Footage; and (v) the Special Tax Requirement.

SECTION C. MAXIMUM SPECIAL TAX

The following tables identify the Maximum Special Taxes for Taxable Property within each Improvement Area of the CFD. The Maximum Special Taxes are all subject to annual escalation as specified in Section C.52 below.

1. *Special Tax Rates, Improvement Area #1 – Bellevue Ranch East (Phases 1 & 2)*

Table 1 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #1 of the CFD.

TABLE 1
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #1 – BELLEVUE RANCH EAST (PHASES 1 & 2)

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$548 per Unit
Multi-Family Residential Property	\$476 per Unit
Retail Property	\$64 per 1,000 Square Feet of Building
Office Property	\$59 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$64 per 1,000 Square Feet of Building

¹ *Subject to annual escalation as described in Section C.52 below.*

2. *Special Tax Rates, Improvement Area #2 – Compass Pointe*

Table 2 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #2 of the CFD.

TABLE 2
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #2 – COMPASS POINTE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$644 per Unit
Multi-Family Residential Property	\$539 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$103 per 1,000 Square Feet of Building
Industrial Property	\$68 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

3. *Special Tax Rates, Improvement Area #3 - Sandcastle*

Table 3 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #3 of the CFD.

TABLE 3
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #3 - SANDCASTLE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$512 per Unit
Retail Property	\$80 per 1,000 Square Feet of Building
Office Property	\$76 per 1,000 Square Feet of Building
Industrial Property	\$48 per 1,000 Square Feet of Building
Other Property	\$80 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

4. Special Tax Rates, Improvement Area #4 – Bright Development

Table 4 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #4 of the CFD.

TABLE 4
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #4 – BRIGHT DEVELOPMENT

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$609 per Unit
Multi-Family Residential Property	\$520 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$84 per 1,000 Square Feet of Building
Industrial Property	\$54 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

5. Special Tax Rates, Improvement Area #5 - Renaissance

Table 5 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #5 of the CFD.

TABLE 5
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #5 - RENAISSANCE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$489 per Unit
Multi-Family Residential Property	\$429 per Unit
Retail Property	\$43 per 1,000 Square Feet of Building
Office Property	\$37 per 1,000 Square Feet of Building
Industrial Property	\$29 per 1,000 Square Feet of Building
Other Property	\$43 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

6. *Special Tax Rates, Improvement Area #6 – Big Valley*

Table 6 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #6 of the CFD.

TABLE 6
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #6 – BIG VALLEY

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$524 per Unit
Multi-Family Residential Property	\$474 per Unit
Retail Property	\$40 per 1,000 Square Feet of Building
Office Property	\$40 per 1,000 Square Feet of Building
Industrial Property	\$22 per 1,000 Square Feet of Building
Other Property	\$40 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

7. *Special Tax Rates, Improvement Area #7 – Bellevue Ranch West*

Table 7 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #7 of the CFD.

TABLE 7
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #7 – BELLEVUE RANCH WEST

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$701 per Unit
Multi-Family Residential Property	\$600 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$115 per 1,000 Square Feet of Building
Industrial Property	\$67 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

8. *Special Tax Rates, Improvement Area #8 – Intentionally Excluded*

9. *Special Tax Rates, Improvement Area #9 – University Park Residential*

Table 9 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #9 of the CFD.

TABLE 9
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #9 – UNIVERSITY PARK RESIDENTIAL

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$643 per Unit
Multi-Family Residential Property	\$544 per Unit
Retail Property	\$105 per 1,000 Square Feet of Building
Office Property	\$99 per 1,000 Square Feet of Building
Industrial Property	\$64 per 1,000 Square Feet of Building
Other Property	\$105 per 1,000 Square Feet of Building

¹ *Subject to annual escalation as described in Section C.52 below.*

10. Special Tax Rates, Improvement Area #10 – Tuscany

Table 10 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #10 of the CFD.

TABLE 10
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #10 – TUSCANY

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$480 per Unit
Multi-Family Residential Property	\$427 per Unit
Retail Property	\$35 per 1,000 Square Feet of Building
Office Property	\$31 per 1,000 Square Feet of Building
Industrial Property	\$23 per 1,000 Square Feet of Building
Other Property	\$35 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

11. Special Tax Rates, Improvement Area #11 - Provance

Table 11 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #11 of the CFD.

TABLE 11
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #11 - PROVANCE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$638 per Unit
Multi-Family Residential Property	\$542 per Unit
Retail Property	\$101 per 1,000 Square Feet of Building
Office Property	\$96 per 1,000 Square Feet of Building
Industrial Property	\$61 per 1,000 Square Feet of Building
Other Property	\$101 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

12. Special Tax Rates, Improvement Area #12 – Promenade

Table 12 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #12 of the CFD.

TABLE 12
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #12 – PROMENADE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$438 per Unit
Multi-Family Residential Property	\$401 per Unit
Retail Property	\$14 per 1,000 Square Feet of Building
Office Property	\$12 per 1,000 Square Feet of Building
Industrial Property	\$10 per 1,000 Square Feet of Building
Other Property	\$14 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

13. Special Tax Rates, Improvement Area #13 – Alfarata Ranch Unit 2

Table 13 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #13 of the CFD.

TABLE 13
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #13 – ALFARATA RANCH UNIT 2

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$471 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$80 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

14. Special Tax Rates, Improvement Area #14 – Franco

Table 14 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #14 of the CFD.

TABLE 14
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #14 – FRANCO

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$504 per Unit
Multi-Family Residential Property	\$430 per Unit
Retail Property	\$57 per 1,000 Square Feet of Building
Office Property	\$49 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$57 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

15. Special Tax Rates, Improvement Area #15 – Cottages

Table 15 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #15 of the CFD.

TABLE 15
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #15 – COTTAGES

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04¹</i>
Single Family Residential Property	\$631 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$87 per 1,000 Square Feet of Building
Office Property	\$86 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$87 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

16. Special Tax Rates, Improvement Area #16 – Tuscany East

Table 16 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #16 of the CFD.

TABLE 16
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #16 – TUSCANY EAST

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$572 per Unit
Multi-Family Residential Property	\$486 per Unit
Retail Property	\$77 per 1,000 Square Feet of Building
Office Property	\$70 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$77 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

17. Special Tax Rates, Improvement Area #17 – Hartley Crossings

Table 17 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #17 of the CFD.

TABLE 17
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #17 – HARTLEY CROSSINGS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$528 per Unit
Multi-Family Residential Property	\$438 per Unit
Retail Property	\$73 per 1,000 Square Feet of Building
Office Property	\$61 per 1,000 Square Feet of Building
Industrial Property	\$52 per 1,000 Square Feet of Building
Other Property	\$73 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

18. Special Tax Rates, Improvement Area #18 – The Crossing at River Oaks

Table 18 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #18 of the CFD.

TABLE 18
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #18 – THE CROSSING AT RIVER OAKS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$639 per Unit
Multi-Family Residential Property	\$529 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

19. Special Tax Rates, Improvement Area #19 – Mohamed Apartments

Table 19 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #19 of the CFD.

TABLE 19
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #19 – MOHAMED APARTMENTS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

¹ Subject to annual escalation as described in Section C.52 below.

20. Special Tax Rates, Improvement Area #20 – Sunnyview Apartments

Table 20 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #20 of the CFD.

TABLE 20
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #20 – SUNNYVIEW APARTMENTS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

¹ Subject to annual escalation as described in Section C.52 below.

21. Special Tax Rates, Improvement Area #21 – University Park II

Table 21 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #21 of the CFD.

TABLE 21
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #21 – UNIVERSITY PARK II

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$691 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$149 per 1,000 Square Feet of Building
Office Property	\$133 per 1,000 Square Feet of Building
Industrial Property	\$98 per 1,000 Square Feet of Building
Other Property	\$149 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

22. Special Tax Rates, Improvement Area #22 – Moraga of Merced

Table 22 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #22 of the CFD.

TABLE 22
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #22 – MORAGA OF MERCED

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$752 per Unit
Multi-Family Residential Property	\$623 per Unit
Retail Property	\$147 per 1,000 Square Feet of Building
Office Property	\$140 per 1,000 Square Feet of Building
Industrial Property	\$89 per 1,000 Square Feet of Building
Other Property	\$147 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

23. Special Tax Rates, Improvement Area #23 – Mission Ranch

Table 23 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #23 of the CFD.

TABLE 23
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #23 – MISSION RANCH

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$774 per Unit
Multi-Family Residential Property	\$595 per Unit
Retail Property	\$194 per 1,000 Square Feet of Building
Office Property	\$174 per 1,000 Square Feet of Building
Industrial Property	\$128 per 1,000 Square Feet of Building
Other Property	\$194 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

24. Special Tax Rates, Improvement Area #24 – Cypress Terrace (Phases 6 and 7)

Table 24 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #24 of the CFD.

TABLE 24
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #24 – CYPRESS TERRACE (PHASES 6 AND 7)

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$728 per Unit
Multi-Family Residential Property	\$606 per Unit
Retail Property	\$137 per 1,000 Square Feet of Building
Office Property	\$130 per 1,000 Square Feet of Building
Industrial Property	\$83 per 1,000 Square Feet of Building
Other Property	\$137 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

25. Special Tax Rates, Improvement Area #25 – Cypress Terrace East

Table 25 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #25 of the CFD.

TABLE 25
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #25 – CYPRESS TERRACE EAST

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$914 per Unit
Multi-Family Residential Property	\$737 per Unit
Retail Property	\$218 per 1,000 Square Feet of Building
Office Property	\$209 per 1,000 Square Feet of Building
Industrial Property	\$131 per 1,000 Square Feet of Building
Other Property	\$218 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

26. Special Tax Rates, Improvement Area #26 – The Meadows

Table 26 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #26 of the CFD.

TABLE 26
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #26 – THE MEADOWS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

27. Special Tax Rates, Improvement Area #27 – Lantana Estates South

Table 27 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #27 of the CFD.

TABLE 27
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #27 – LANTANA ESTATES SOUTH

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$834 per Unit
Multi-Family Residential Property	\$700 per Unit
Retail Property	\$166 per 1,000 Square Feet of Building
Office Property	\$164 per 1,000 Square Feet of Building
Industrial Property	\$95 per 1,000 Square Feet of Building
Other Property	\$166 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

28. Special Tax Rates, Improvement Area #28 – The Meadows #2

Table 28 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #28 of the CFD.

TABLE 28
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #28 – THE MEADOWS #2

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

29. Special Tax Rates, Improvement Area #29 – Paseo

Table 29 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #29 of the CFD.

TABLE 29
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #29 – PASEO

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,008 per Unit
Multi-Family Residential Property	\$762 per Unit
Retail Property	\$294 per 1,000 Square Feet of Building
Office Property	\$271 per 1,000 Square Feet of Building
Industrial Property	\$186 per 1,000 Square Feet of Building
Other Property	\$294 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

30. Special Tax Rates, Improvement Area #30 – Highland Park

Table 30 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #30 of the CFD.

TABLE 30
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #30 – HIGHLAND PARK

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$650 per Unit
Multi-Family Residential Property	\$557 per Unit
Retail Property	\$97 per 1,000 Square Feet of Building
Office Property	\$93 per 1,000 Square Feet of Building
Industrial Property	\$58 per 1,000 Square Feet of Building
Other Property	\$97 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

31. Special Tax Rates, Improvement Area #31 – Mercy Hospital

Table 31 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #31 of the CFD.

TABLE 31
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #31 – MERCY HOSPITAL

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$172 per Unit
Multi-Family Residential Property	\$139 per Unit
Retail Property	\$59 per 1,000 Square Feet of Building
Office Property	\$62 per 1,000 Square Feet of Building
Industrial Property	\$30 per 1,000 Square Feet of Building
Other Property	\$59 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

32. Special Tax Rates, Improvement Area #32 – Fahrens Park Plaza

Table 32 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #32 of the CFD.

TABLE 32
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #32 – FAHRENS PARK PLAZA

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$988 per Unit
Multi-Family Residential Property	\$889 per Unit
Retail Property	\$161 per 1,000 Square Feet of Building
Office Property	\$181 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$181 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

33. Special Tax Rates, Improvement Area #33 – Mansionette Estates No. 5

Table 33 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #33 of the CFD.

TABLE 33
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #33 – MANSIONETTE ESTATES NO. 5

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,130 per Unit
Multi-Family Residential Property	\$957 per Unit
Retail Property	\$252 per 1,000 Square Feet of Building
Office Property	\$260 per 1,000 Square Feet of Building
Industrial Property	\$133 per 1,000 Square Feet of Building
Other Property	\$260 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

34. Special Tax Rates, Improvement Area #34 – Northview Professional Center

Table 34 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #34 of the CFD.

TABLE 34
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #34 – NORTHVIEW PROFESSIONAL CENTER

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$850 per Unit
Multi-Family Residential Property	\$742 per Unit
Retail Property	\$146 per 1,000 Square Feet of Building
Office Property	\$152 per 1,000 Square Feet of Building
Industrial Property	\$75 per 1,000 Square Feet of Building
Other Property	\$152 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

35. Special Tax Rates, Improvement Area #35 – Compass Pointe Apartments

Table 35 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #35 of the CFD.

TABLE 35
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #35 – COMPASS POINTE APARTMENTS

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$543 per Unit
Multi-Family Residential Property	\$479 per Unit
Retail Property	\$53 per 1,000 Square Feet of Building
Office Property	\$50 per 1,000 Square Feet of Building
Industrial Property	\$33 per 1,000 Square Feet of Building
Other Property	\$53 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

36. Special Tax Rates, Improvement Area #36 – Merced Station

Table 36 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #36 of the CFD.

TABLE 36
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #36 – MERCED STATION

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$580 per Unit
Multi-Family Residential Property	\$483 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$78 per 1,000 Square Feet of Building
Industrial Property	\$59 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

37. Special Tax Rates, Improvement Area #37 – Reserved for Future Use

38. Special Tax Rates, Improvement Area #38 – PG&E Merced Regional Service Center

Table 38 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #38 of the CFD.

TABLE 38
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #38 – PG&E MERCED REGIONAL SERVICE CENTER

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$4,028 per Unit
Multi-Family Residential Property	\$3,572 per Unit
Retail Property	\$1,007 per 1,000 Square Feet of Building
Office Property	\$1,150 per 1,000 Square Feet of Building
Industrial Property	\$431 per 1,000 Square Feet of Building
Other Property	\$1,150 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

39. Special Tax Rates, Improvement Area #39 – Merced Gateway Park

Table 39 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #39 of the CFD.

TABLE 39
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #39 – MERCED GATEWAY PARK

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$813 per Unit
Multi-Family Residential Property	\$707 per Unit
Retail Property	\$138 per 1,000 Square Feet of Building
Office Property	\$142 per 1,000 Square Feet of Building
Industrial Property	\$73 per 1,000 Square Feet of Building
Other Property	\$142 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

40. Special Tax Rates, Improvement Area #40 – Stone Ridge South

Table 40 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #40 of the CFD.

TABLE 40
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #40 – STONE RIDGE SOUTH

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$824 per Unit
Multi-Family Residential Property	\$603 per Unit
Retail Property	\$241 per 1,000 Square Feet of Building
Office Property	\$211 per 1,000 Square Feet of Building
Industrial Property	\$162 per 1,000 Square Feet of Building
Other Property	\$241 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

41. Special Tax Rates, Improvement Area #41 – Bellevue Ranch North Villages 23 and 24

Table 41 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #41 of the CFD.

TABLE 41
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #41 – BELLEVUE RANCH NORTH VILLAGES 23 AND 24

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,188 per Unit
Multi-Family Residential Property	\$841 per Unit
Retail Property	\$415 per 1,000 Square Feet of Building
Office Property	\$375 per 1,000 Square Feet of Building
Industrial Property	\$270 per 1,000 Square Feet of Building
Other Property	\$415 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

42. Special Tax Rates, Improvement Area #42 – Compass Pointe Apartments Phase 2

Table 42 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #42 of the CFD.

TABLE 42
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #42 – COMPASS POINTE APARTMENTS PHASE 2

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$770 per Unit
Multi-Family Residential Property	\$684 per Unit
Retail Property	\$112 per 1,000 Square Feet of Building
Office Property	\$120 per 1,000 Square Feet of Building
Industrial Property	\$56 per 1,000 Square Feet of Building
Other Property	\$120 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

43. Special Tax Rates, Improvement Area #43 – Highway 59 & Santa Fe Drive AM/PM

Table 43 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #43 of the CFD.

TABLE 43
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #43 – HIGHWAY 59 & SANTA FE DRIVE AM/PM

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$3,653 per Unit
Multi-Family Residential Property	\$2,837 per Unit
Retail Property	\$1,259 per 1,000 Square Feet of Building
Office Property	\$1,265 per 1,000 Square Feet of Building
Industrial Property	\$700 per 1,000 Square Feet of Building
Other Property	\$1,265 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

44. Special Tax Rates, Improvement Area #44 – Stone Ridge West 108

Table 44 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #44 of the CFD.

TABLE 44
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #44 – STONE RIDGE WEST 108

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$681 per Unit
Multi-Family Residential Property	\$549 per Unit
Retail Property	\$137 per 1,000 Square Feet of Building
Office Property	\$124 per 1,000 Square Feet of Building
Industrial Property	\$89 per 1,000 Square Feet of Building
Other Property	\$137 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

45. Special Tax Rates, Improvement Area #45 – Yosemite Crossing

Table 45 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #45 of the CFD.

TABLE 45
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #45 – YOSEMITE CROSSING

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$810 per Unit
Multi-Family Residential Property	\$676 per Unit
Retail Property	\$161 per 1,000 Square Feet of Building
Office Property	\$157 per 1,000 Square Feet of Building
Industrial Property	\$94 per 1,000 Square Feet of Building
Other Property	\$161 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

46. Special Tax Rates, Improvement Area #46 – Sage Creek

Table 46 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #46 of the CFD.

TABLE 46
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #46 – SAGE CREEK

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$689 per Unit
Multi-Family Residential Property	\$613 per Unit
Retail Property	\$90 per 1,000 Square Feet of Building
Office Property	\$94 per 1,000 Square Feet of Building
Industrial Property	\$47 per 1,000 Square Feet of Building
Other Property	\$94 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

47. Special Tax Rates, Improvement Area #47 – The Hub 2.0 Merced Student Housing

Table 47 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #47 of the CFD.

TABLE 47
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #47 – THE HUB 2.0 MERCED STUDENT HOUSING

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$505 per Unit
Multi-Family Residential Property	\$443 per Unit
Retail Property	\$45 per 1,000 Square Feet of Building
Office Property	\$39 per 1,000 Square Feet of Building
Industrial Property	\$31 per 1,000 Square Feet of Building
Other Property	\$45 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

48. Special Tax Rates, Improvement Area #48 – Merzoian Estates

Table 48 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #48 of the CFD.

TABLE 48
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #48 – MERZOIAN ESTATES

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,183 per Unit
Multi-Family Residential Property	\$858 per Unit
Retail Property	\$397 per 1,000 Square Feet of Building
Office Property	\$362 per 1,000 Square Feet of Building
Industrial Property	\$254 per 1,000 Square Feet of Building
Other Property	\$397 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

49. Special Tax Rates, Improvement Area #49 – Campus Parkway Plaza

Table 49 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #49 of the CFD.

TABLE 49
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #49 – CAMPUS PARKWAY PLAZA

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,018 per Unit
Multi-Family Residential Property	\$892 per Unit
Retail Property	\$191 per 1,000 Square Feet of Building
Office Property	\$205 per 1,000 Square Feet of Building
Industrial Property	\$94 per 1,000 Square Feet of Building
Other Property	\$205 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

50. Special Tax Rates, Improvement Area #50 – The Palisades

Table 50 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #50 of the CFD.

TABLE 50
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #50 – THE PALISADES

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,329 per Unit
Multi-Family Residential Property	\$1,006 per Unit
Retail Property	\$420 per 1,000 Square Feet of Building
Office Property	\$398 per 1,000 Square Feet of Building
Industrial Property	\$256 per 1,000 Square Feet of Building
Other Property	\$420 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

51. Special Tax Rates, Improvement Area #51 – Capella Terrace

Table 50 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #51 of the CFD.

TABLE 51
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #51 – CAPELLA TERRACE

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06¹</i>
Single Family Residential Property	\$1,312 per Unit
Multi-Family Residential Property	\$736 per Unit
Retail Property	\$640 per 1,000 Square Feet of Building
Office Property	\$540 per 1,000 Square Feet of Building
Industrial Property	\$451 per 1,000 Square Feet of Building
Other Property	\$640 per 1,000 Square Feet of Building

¹ Subject to annual escalation as described in Section C.52 below.

52. Special Tax Increases

In January 2004, and each January thereafter, all figures shown in Tables 1 through 15 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

In January 2006, and each January thereafter, all figures shown in Tables 16 through 51 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

SECTION D. METHOD OF LEVY

Each Fiscal Year, the Special Tax shall be levied on all Assessor Parcels of Developed Property, separately for each Improvement Area, according to the steps outlined below.

- Step 1:** Determine for an Improvement Area the Special Tax Requirement, as defined in Section A above, for the Fiscal Year in which the Special Tax will be collected;
- Step 2:** Calculate the total Special Tax revenues that could be collected from Developed Property in the Improvement Area based on application of the Maximum Special Tax rates determined pursuant to Section C above;
- Step 3:** If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Assessor Parcels of Developed Property in the Improvement Area;
- Step 4:** If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax Proportionately on each Assessor Parcel of Developed Property in the Improvement Area so the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year.

SECTION E. COLLECTION

Except as may be provided by the CFD or the City, and for delinquencies, the Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes. The Special Tax obligation applicable to an Assessor Parcel in the CFD may not be prepaid and the obligation of the Assessor Parcel to pay the Special Tax may not be permanently satisfied.

For the portion of Improvement Area #22 that was annexed into the CFD pursuant to Annexation #16, the Special Tax levy shall commence in Fiscal Year 2020-21 and for such Fiscal Year shall be based on the building permits issued by the City as of May 1, 2020.

SECTION F. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

No Special Tax shall be levied on the portion of an Assessor Parcel that constitutes Lower Income Household Welfare Exemption Property; provided, however, that if, in any Fiscal Year, applicable law does not require that Lower Income Household Welfare Exemption Property be exempt from some portion, or all, of the Special Tax, such portion, or all, of the Special Tax shall be levied on such property in accordance with this Rate and Method based on the type of property to which the Assessor Parcel is assigned.

SECTION G. INTERPRETATION

The Administrator may interpret this Rate and Method as necessary to clarify any inconsistency, vagueness, or ambiguity.

SECTION H. APPEALS

Appeals of any claim of incorrect computation of Special Tax or application of this Rate and Method may be made by the owner of an Assessor Parcel or such owner's duly-authorized representative by filing a written notice of appeal with the Administrator not later than thirty (30) days after having paid the disputed Special Tax. The Administrator shall promptly review the appeal and, if necessary, meet with the property owner (or representative), consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision, the owner may then file a written appeal with the Council, whose decision shall be final. If the decision of the Administrator or the Council requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies) as appropriate. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

ATTACHMENT 1

**BOUNDARY MAP
AND IMPROVEMENT AREAS OF
CITY OF MERCED
COMMUNITY FACILITIES DISTRICT NO. 2003-2
(SERVICES)**

(to come from City)

**COMMUNITY FACILITIES DISTRICT 2003-2 (SERVICES)
ANNEXATION #27
IMPROVEMENT AREA #44 - STONE RIDGE WEST 108**

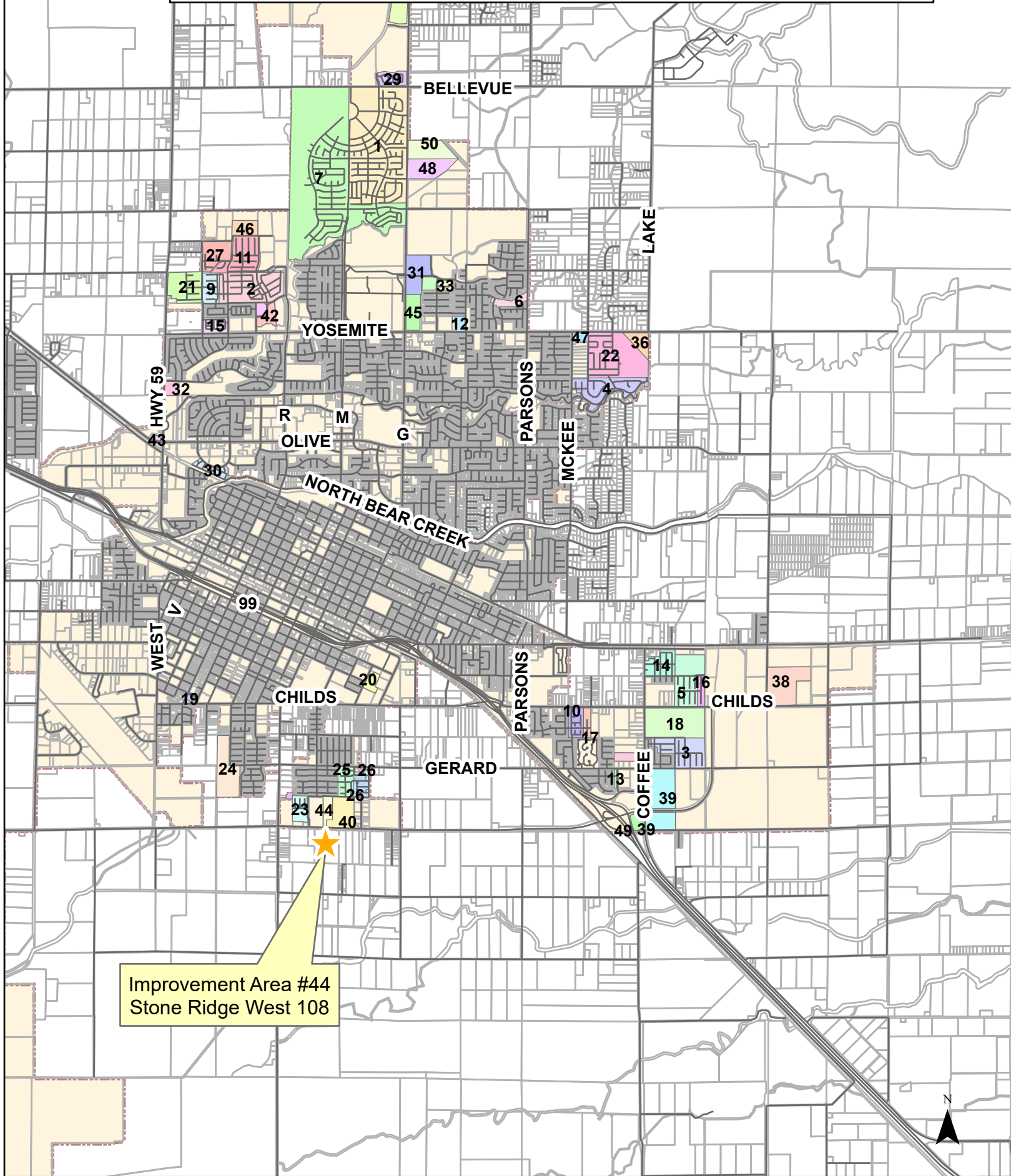


Table 1
City of Merced Services CFD Annexation #27
Project Specific Analysis
Project Land Use and Services Data

Land Use	Stone Ridge West 108
<hr/>	
<u>Residential (Dwelling Units)</u>	
Single Family	108
Multi-Family	0
<u>Non-Residential (Square Feet)</u>	
Retail	0
Office	0
Industrial	0
<u>Other</u>	
Full Landscaped Acres /1	0.30
Basin/Partial Landscaped Acres /1	0.00
Storm Drainage Miles /1	0.22
Bike Path Square Footage	0
Street Lights	11

/1 Calculated from square footage or linear feet and displayed with two decimal places. Unrounded for subsequent calculations.

Sources: City of Merced; Goodwin Consulting Group, Inc.

1/16/2024

Table 2
City of Merced Services CFD Annexation #27
Project Specific Analysis
City Cost and Allocation Data

	Landscaping Maintenance	Storm Drainage Maintenance
Expenditures /1	\$341,749	\$464,196
Dwelling Unit Equivalents (DUEs)		
<u>Residential DUEs (per Dwelling Unit)</u>		
Single Family	1.00	1.00
Multi-Family	0.88	0.33
<u>Non-Residential DUEs (per 1,000 SF)</u>		
Retail	0.28	0.77
Office	0.32	0.64
Industrial	0.12	0.55
Cost Factors /2		
Landscaped Acres	17	
Storm Drainage Miles		36
Annual Cost per Acre (Full Landscape)	\$26,134	
Annual Cost per Storm Drainage Mile		\$16,763
Additional Cost Factors /2		
Annual Cost per Acre (Basin/Partial Landscape) /3	\$19,600	
Annual Bike Path Maintenance Cost per Square Foot	\$0.25	
Annual Street Light Maintenance Cost per Street Light	\$136	
Annual Storm Pump Maintenance Cost		\$17,680
Annual Basin Maintenance Cost		\$5,200

/1 Expenditures include costs associated with the following budget categories: personnel, supplies and services, non-capital acquisitions, administrative, and interdepartmental services.

/2 A 30% factor is added to each cost to account for the effects of prevailing wage.

/3 Equals 75% of the cost per full landscaped acre.

Table 3
City of Merced Services CFD Annexation #27
Project Specific Analysis
Landscaping, Street Light, and Basin Maintenance

Stone Ridge West 108	
Land Uses & DUEs	
<u>Residential (Dwelling Units)</u>	
Single Family	108
Multi-Family	0
<u>Non-Residential (Square Feet)</u>	
Retail	0
Office	0
Industrial	0
Dwelling Unit Equivalents	108
Annual Costs	
Full Landscape	\$7,918
Street Light Maintenance	\$1,491
Basin/Partial Landscape	\$0
Bike Path Maintenance	\$0
Total Cost	\$9,409
Cost per DUE	\$87
Special Tax Rates /1	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$87
Multi-Family	\$77
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$24
Office	\$28
Industrial	\$10
Annual Special Tax Revenue	
<u>Residential</u>	
Single Family	\$9,409
Multi-Family	\$0
<u>Non-Residential</u>	
Retail	\$0
Office	\$0
Industrial	\$0
Total Revenue	\$9,409

/1 All special tax rates are calculated and then rounded to the nearest dollar.

Table 4
City of Merced Services CFD Annexation #27
Project Specific Analysis
Storm Drainage Maintenance

Stone Ridge West 108	
Land Uses & DUEs	
<u>Residential (Dwelling Units)</u>	
Single Family	108
Multi-Family	0
<u>Non-Residential (Square Feet)</u>	
Retail	0
Office	0
Industrial	0
Dwelling Unit Equivalents	108
Annual Costs	
Storm Drain Maintenance	\$3,743
Share of Pump & Basin /1	\$8,252
Total Cost	\$11,995
Total Cost per DUE	\$111
Special Tax Rates /2	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$111
Multi-Family	\$36
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$86
Office	\$71
Industrial	\$61
Annual Special Tax Revenue	
<u>Residential</u>	
Single Family	\$11,995
Multi-Family	\$0
<u>Non-Residential</u>	
Retail	\$0
Office	\$0
Industrial	\$0
Total Revenue	\$11,995

/1 36.07% of the storm pump maintenance cost and basin maintenance cost is associated with the Stone Ridge West 108 project.

/2 All special tax rates are calculated and then rounded to the nearest dollar.

Table 5
City of Merced Services CFD Annexation #27
Project Specific Analysis
Total Special Taxes (FY 2005-06)

Land Use	Stone Ridge West 108
Citywide Services	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$433
Multi-Family	\$408
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$0
Office	\$0
Industrial	\$0
Project-Specific Services /1 /2	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$248
Multi-Family	\$141
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$137
Office	\$124
Industrial	\$89
Total - All Services	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$681
Multi-Family	\$549
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$137
Office	\$124
Industrial	\$89

/1 A 25% factor is added to each project specific special tax to account for a cost contingency and a sinking fund component to build a reserve for equipment and facility replacement, as well as annual administration.

/2 All special tax rates are calculated and then rounded to the nearest dollar.