

EXHIBIT "B"

RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 40 (EASTVALE AREA) OF JURUPA COMMUNITY SERVICES DISTRICT

A Special Tax (the "Special Tax") shall be levied on and collected from each Parcel (defined below) in Community Facilities District No. 40 (the "District"), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2008, in an amount determined by the Board of Directors of Jurupa Community Services District, acting in its capacity as the legislative body of the District (the "Board of Directors"), by applying the rates and method of apportionment set forth below. All of the real property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner provided herein.

A. DEFINITIONS

"Administrative Expenses" means costs and expenses which are expected to be incurred by the District, JCSD and the Flood Control District in apportioning and levying the Special Tax and providing the Services during each Fiscal Year, including the estimated cost or value of the time of JCSD's and the Flood Control District's personnel in accomplishing the levy of the Special Tax and providing the Services, costs incurred by the District, JCSD and the Flood Control District for the services of an engineer or a special tax consultant in connection with the apportionment and levy of the Special Tax for each Fiscal Year, costs incurred by the District, JCSD and the Flood Control District for the services of its attorneys in connection with the levy of the Special Tax for each Fiscal Year and any other similar cost or expense which is expected to be incurred by the District, JCSD or the Flood Control District with respect to any Fiscal Year.

"Benefit Unit" means (a) prior to the construction of a residence on a Parcel, a single family residential lot shown on a tentative subdivision map which has been approved by the County of Riverside or a single family residential lot created by the recording of a final subdivision map in the official records of the County of Riverside, or (b) after a residence has been constructed on a Parcel, each separate residence located on the Parcel.

"Board of Directors" has the meaning set forth in the preamble.

"Contingency Reserve" means a reserve to be established, replenished and maintained for the District in an amount equal to ten percent (10%) of the estimated costs of providing the Services and estimated associated Administrative Expenses for any Fiscal Year to provide for the payment of unexpected costs which may be incurred in the Fiscal Year.

"District" has the meaning set forth in the preamble.

"**Exempt Property**" means all publicly owned or dedicated property not subject to taxation and includes sliver parcels, common lots, open space or any other property that cannot be developed.

"**Fiscal Year**" means the period from and including July 1st of any year to and including the following June 30th.

"**Flood Control District**" means the Riverside County Flood Control and Water Conservation District.

"**Flood Control Facilities**" means the surface water quality retention facilities of the Flood Control District which are located on Lots 128 and 129 of Tract No. 32136 in the County of Riverside.

"**JCSD**" means Jurupa Community Services District.

"**Landscape Areas**" means landscape, including turf, trees, shrubs, bushes, and other cultivated vegetation which is planted and growing in, associated irrigation system facilities and water detention basins, which are located in, and hardscape which is located in publicly owned street right-of-way, Parkways and Open Space Areas.

"**Maximum Special Tax Rate(s)**" means the Maximum Special Tax Rates per Benefit Unit that can be levied by the Board of Directors in any Fiscal Year. The Maximum Special Tax Rates per Benefit Unit for Parcels in all Maintenance Categories shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two percent (2%), whichever is greater, on July 1 for Fiscal Year 2009-10 and on each subsequent July 1 for the Fiscal Year then commencing.

"**Parcel**" means a lot or parcel of land that is identifiable by an Assessor's Parcel Number in the Tax Assessment Roll of the County Assessor of the County of Riverside.

"**Parkways and Open Space Areas**" means parkways and open space areas, including Landscape Areas, which are located in publicly owned street rights-of-way.

"**Service Category**" means for the Flood Control District the maintenance and/or repair of the Flood Control Facilities (the "Flood Control District Service Category") and for JCSD the maintenance and/or repair of Parkways and Open Space Areas, including Landscape Areas (the "JCSD Service Category").

"**Services**" means the maintenance and/or repair of Parkways and Open Space Areas (including Landscape Areas), including, but not limited to, the planting, replanting, mowing, trimming, irrigation and fertilization of grass, trees, shrubs and other ornamental plants and vegetation and the maintenance, repair and replacement of irrigation systems which are associated with Landscape Areas, and the operation and maintenance of the Flood Control Facilities.

"Special Tax(es)" means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property to pay Administrative Expenses and to pay the costs of providing the Services, as provided in Section B and Section C.

B. MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax Rates for the JCSD Service Category and the Flood Control District Service Category for Fiscal Year 2008-09 shall be the rates set forth in Table 1 for such Service Categories. The Maximum Special Tax Rates for the JCSD Service Category and the Flood Control District Service Category shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two percent (2%), whichever is greater, on July 1, 2009 for Fiscal Year 2009-10 and on each subsequent July 1 for the Fiscal Year then commencing.

TABLE 1

Maximum Special Tax Rates

<u>Service Category</u>	<u>Maximum Special Tax Rate Per Benefit Unit</u>
JCSD Service Category	\$467
Flood Control District Service Category	\$28

C. METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

For each Fiscal Year, the Board of Directors shall determine the total amount of the Special Tax which must be levied and collected to pay (a) the estimated costs of providing the Services during the Fiscal Year (b) the amount estimated to be necessary to pay Administrative Expenses during the Fiscal Year and (c) the amount required to fund or replenish the Contingency Reserve (the "Total Special Tax"), and shall levy the Special Tax on all Parcels in the District (except Parcels of Exempt Property) in an amount per Benefit Unit which will provide an amount equal to the Total Special Tax; provided that the amount of Special Tax to be levied on any Parcel shall not exceed the amount determined by multiplying the Benefit Units for the Parcel by the Maximum Special Tax Rates per Benefit Unit for the Fiscal Year for the JCSD Service Category and the Flood Control District Service Category.

D. DURATION OF SPECIAL TAX LEVIES

All Parcels of Taxable Property within CFD No. 40 shall continue to be subject to the levy and collection of the Special Tax to satisfy the Special Tax Requirement as long as the District provides services in order to operate and maintain the Parkways and Open Space Areas, including Landscape Areas, and the Flood Control Facilities within and for the benefit of the residents of CFD No. 40.

EXHIBIT "C"

COMMUNITY FACILITIES DISTRICT NO. 40
(EASTVALE AREA)
OF
JURUPA COMMUNITY SERVICES DISTRICT

OWNERSHIP LIST

Assessor's
Parcel Number
(APN)

Owner

152-020-017-8

BC Stratford Corporation