



Redevelopment and Financial Consulting

225 Holmfirth Court
Roseville CA 95661

Phone: (916) 791-8958
FAX: (916) 791-9234

ANNUAL REPORT

For 2013-14 Fiscal Year

**Parking Revenue Refunding Bonds
Series 2013**

South Tahoe Joint Powers Parking Financing Authority

June 2014

Section A - Introduction

In November 2013, the South Tahoe Joint Powers Parking Financing Authority (Authority) issued its Parking Revenue Refunding Bonds (Bonds) in the amount of \$7,735,000. The Bonds are secured by and payable from Gross Revenues and amounts held in certain funds and accounts established by the Indenture dated November 1, 2013, that was entered into as part of the issuance of the Bonds. Gross Revenues include:

1. Revenues from operation of the parking garage. The Authority is authorized to deduct from the Gross Revenues the costs for operation and maintenance of the Garage prior to making bond debt service payments.
2. Surplus Special Tax Revenues from Community Facilities District No. 2001-1 that are available after debt service on the District's Series 2001 Special Tax Bonds.

As part of the issuance of the Bonds, the Authority executed a Continuing Disclosure Certificate. The Disclosure Certificate was executed and delivered by the Authority for the benefit of the holders and beneficial owners of the bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Disclosure Certificate for the Bonds requires the Authority to file an Annual Report with the Municipal Securities Rulemaking Board (MSRB) no later than June 30 of each year. The Annual Report needs to contain or incorporate by reference the following information and data:

- (a) The Authority's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) The following financial and operating data:
 - (1) Principal amount of Bonds outstanding
 - (2) Balance in the Revenue Fund, and any sub account therein.
 - (3) Balance in the Bond Interest Account, and any sub account therein.
 - (4) Balance in the Bond Principal Account, and any sub account therein.
 - (5) Balance in the Bond Reserve Account.
 - (6) Balance in the Supplemental Reserve Account.

- (7) Balance in the Bond Redemption Fund, and any sub account therein.
- (8) Balance in the Surplus Revenue Account
- (9) Annual operating budget of the Parking Garage for the current fiscal year. Such budget shall describe for the Fiscal Year the anticipated receipts of Gross Revenues, costs and expenses for the Parking Garage and such other matters as the Authority shall deem necessary or appropriate, and shall include all anticipated Gross Revenues, Maintenance and Operation Expenses, Annual Bond Debt Service payments, the Renewal and Replacement Requirement and the Renewal and Replacement Annual Contribution for such Fiscal Year. Such budget shall include a comparison of actual operating results to the budget for the prior year.
- (10) To the extent not otherwise provided pursuant to the preceding items, annual information required to be filed by the Authority with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d) or 53411 of the California Government Code.
- (11) A calculation showing whether the Coverage Test has been satisfied during the fiscal year.

The Annual Report must also include certain information on the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Districts) Special Tax Revenues. That information has been provided by including a copy of the Annual Report for the Special Tax Refunding Bonds, Series 2007 as Appendix A to this report.

This Annual Report provides the required information for the Authority's 2012-13 fiscal year and budget estimates for the 2013-2014 fiscal year. The audited financials for the Authority for the 2012-13 fiscal year are part of the City of South Lake Tahoe's Comprehensive Annual Financial Report. The relevant parts of the CAFR have been submitted under separate cover.

The balance of this Report shows the other required information and data shown above. The revenue and expense estimates contained in the following sections of this Report are based upon information and data which we believe to be reasonable and accurate. To a certain extent, the budget estimates of revenue and expenditures are based on assumptions that are subject to a degree of uncertainty and variation and therefore are not represented as results that will actually be achieved.

Financial and Operating Data

Table 1 on the following page shows the current status of the various bond funds and accounts as of September 30, 2013 (the end of the 2012-13 fiscal year) and year to date data through April 2014.

	9/30/2013	4/30/2014
(1) Principal amount of Bonds outstanding	7,270,000	7,735,000
(2) Balance in the Revenue Fund.	4,065	193,702
(3) Balance in the Bond Interest Account	0	0
(4) Balance in the Bond Principal Account	0	0
(5) Balance in the Bond Reserve Account.	820,396	569,550
(6) Balance in the Supplemental Reserve Account	76,513	326,532
(7) Balance in the Bond Redemption Fund	0	0
(8) Balance in the Surplus Revenue Account	0	0

Table 2 shows the Annual Operating Budget and Coverage for the Parking Garage for the 2012-13 and 2013-14 fiscal years. The Authority’s fiscal year runs from October 1 through September 30. For 2012-13, Table 1 also includes the audited actual results for the Parking Garage. The Indenture for the 2013 Bonds also requires that the City indicate the amount of the Renewal and Replacement Requirement for the next five years. City staff has indicated that amount at approximately \$50,000. The Renewal and Replacement Annual Contribution for 2013-14 is estimated at \$20,000. This amount is not reflected in the approve budget because the budget was approved before the requirement was added as part of the 2013 Bond issue.

Also as required by the Disclosure Certificate, Table 2 also includes a calculation showing whether the Coverage Test has been satisfied for the current fiscal year. Section 6.10 of the Indenture includes a definition for the Coverage Test which reads as follows:

So long as any of the Bonds are Outstanding, the Authority will establish and maintain or cause to be established and maintained such rules and regulations and such rentals, rates, fees and charges for the use of the Project as will be required to generate in each Fiscal Year Net Operating Revenues equal to at least one and one-half times (1.50x) Net Maximum Annual Debt Service for the Bond Year commencing in such Fiscal Year (the "Coverage Test").

The Indenture defines Net Operating Revenues as Operating Revenues less Maintenance and Operation Expenses. As shown on Table 2, Net Operating Revenues for 2013-14 based on the budget are projected to equal \$506,040. Net Maximum Annual Debt Service is defined in the Indenture to mean Maximum Annual Debt Service less Surplus Special Tax Revenues reduced by 1.10, which equals \$223,077 as shown on Table 2. The Coverage Test for 2013-14 is estimated at 2.27x, which is greater than the 1.50x required in the Indenture.

Table 2
 South Tahoe Joint Powers Parking Financing Authority
 Parking Revenue Bonds - Series 2013

ANNUAL OPERATING BUDGET AND COVERAGE *

	2012-13 Budget	2012-13 Audited Actual	2013-14 Budget
Operating Revenues (1)	650,000	800,606	729,880
Operating Expenses			
Technical / Professional Services (2)	110,000	194,255	40,000
Employee Salaries and Benefits (2)	80,000	2,280	74,940
Insurance	11,500	14,796	11,500
Utilities	58,900	33,103	58,900
Fiscal Agent Fees	20,000	20,790	20,000
Other (3)	4,500	2,976	18,500
Total Operating Expenses	284,900	268,200	223,840
Net Operating Revenues	365,100	532,406	506,040
Interest Earnings	2,000	1,829	2,000
Surplus Special Tax Revenue (4)	271,177	271,177	381,120
Gross Revenues Less Operating Expenses	638,277	805,412	889,160
Debt Service and Coverage			
2002 Parking Bond Debt Service (5)	797,800	752,750	
2013 Parking Bond Debt Service (6)	0	0	569,550
All-In Debt Service Coverage (7)	80%	107%	156%
Subordinate Expenses - CFD Admin (8)	0	0	51,120
Net Remaining Revenue	(159,523)	52,662	268,490
Coverage Test Debt Coverage (9)			
Net Operating Revenues	N/A	N/A	506,040
Maximum Annual Debt Service			569,550
Less: Surplus Special Tax Revenue / 1.1			346,473
Net Maximum Annual Debt Service			223,077
Coverage Test Coverage			227%

* Fiscal year runs from October 1 - September 30

- (1) Operating Revenues reflects all revenues derived from operation and usage of the Parking Garage, including hourly or daily parking usage, validations and parking passes, advertising revenues, and special events rentals.
- (2) Beginning with the 2013-14 Budget the management of the Parking Garage was transferred to the City from a contractor.
- (3) Includes costs for advertising, communications, fixtures and miscellaneous expenses. Excludes depreciation shown in the audited financial statements.
- (4) Reflects Surplus Special Tax Revenues transferred to the Authority from special tax revenues levied in the District net of debt service on the 2007 CFD Bonds.
- (5) Actual debt service paid during 2012-13 on the 2002 Bonds, prior to the 2013 Refunding issue.
- (6) Maximum annual debt service on the 2013 Parking Bonds.
- (7) Calculated by dividing Gross Revenues Less Operating Expenses by 2013 Parking Bond Debt Service.
- (8) Administrative expenses for the CFD are subordinate to bond debt service on the 2013 Bonds.
- (9) Calculated pursuant to the Indenture, as described more fully in the Annual Report.
 The Coverage Test debt coverage did not apply to the 2002 Bonds.

Appendix A

Annual Report

Special Tax Refunding Bonds, Series 2007



City of South Lake Tahoe

Community Facilities Districts

Fiscal Year 2013/14 Annual Report

27368 Via Industria
Suite 110
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com



CITY OF SOUTH LAKE TAHOE
COMMUNITY FACILITIES DISTRICTS
FISCAL YEAR 2013/14
ANNUAL REPORT

DECEMBER 2013



Corporate Office:

27368 Via Industria
Suite 110
Temecula, CA 92590
Tel: (951) 587-3500
Tel: (800) 755-6864
Fax: (951) 587-3510

Office Locations:

Anaheim, CA
Denver, CO
Oakland, CA

Orlando, FL
Phoenix, AZ
Washington, DC

www.willdan.com

**City of South Lake Tahoe
Community Facilities Districts
DISTRICT PARTICIPANTS**

AGENCY

Hilary Roverud
Redevelopment Services Director
South Tahoe Redevelopment Agency
1901 Airport Road, Suite 108
South Lake Tahoe, CA 96150
Phone (530) 542-6044
Fax (530) 542-6054
hroverud@ci.south-lake-tahoe.ca.us

AGENCY

MaryAnne Brand, CRO
Finance Services Manager
City of South Lake Tahoe
1901 Airport Road, Suite 210
South Lake Tahoe, CA 96150
Phone (530) 542-6062
mbrand@cityofslt.us

BOND COUNSEL

Allison Burns
Attorney at Law
Stradling, Yocca, Carlson & Rauth
660 Newport Center Drive, Ste 1600
Newport Beach, CA 92660
Phone (949) 725-4187
Fax (949) 823-5187
ABURNS@SYCR.com
www.sycr.com

DISTRICT ADMINISTRATOR

Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, CA 92590
Phone (800) 755-6864
Fax (888) 326-6864
www.willdan.com

FISCAL & SPECIAL TAX CONSULTANT

Donald J. Fraser
Fraser & Associates
225 Holmfirth Court
Roseville, CA 95661
Phone (916) 791-8958
Fax (916) 791-9234

TRUSTEE

Jacqueline Nowak
The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500
Los Angeles, CA 90017
Phone (213) 630-6408
Fax (213) 630-6210
jacki.nowak@bnymellon.com

City of South Lake Tahoe Community Facilities District No. 1995-1 DISTRICT OVERVIEW

FISCAL YEAR 2013/14 LEVY AMOUNTS

Applied to County Roll		Handbilled		Total Levy
Parcel Count	Dollar Amount	Parcel Count	Dollar Amount	
6,755	\$262,557.12	0	\$0.00	\$262,557.12

ACCOUNT SUMMARY

This district is non-bonded and therefore all funds are held by the agency.

DELINQUENCY SUMMARY*

Delinquency Summary for Most Recent Fiscal Year (Data as of: 5/7/2013)		Cumulative Summary for All Years With Delinquencies (Data as of: 5/7/2013)	
(\$)	(%)	(\$)	(%)
20,051.21	7.66	36,557.04	2.38

*For a more comprehensive summary, please see the *Delinquency Management* tab of this report.

City of South Lake Tahoe
Community Facilities District No. 2001-1 (Park Avenue Project)
DISTRICT OVERVIEW

FISCAL YEAR 2013/14 LEVY AMOUNTS

Applied to County Roll		Handbilled		Total Levy
Parcel Count	Dollar Amount	Parcel Count	Dollar Amount	
11,102	\$860,190	12	\$65,684	\$925,874

ACCOUNT SUMMARY

Fund Description	Account Number	Balance	As of
Administrative Expense Account	435378	\$27,405.45	May 31, 2013
Costs of Issuance	435380	\$9,813.97	May 31, 2013
Project Fund	435381	\$17,727.39	May 31, 2013
Reserve Account	435377	\$546,000.00	May 31, 2013
Special Tax Account	435373	\$220.00	May 31, 2013
Surplus Fund	435379	\$764.95	May 31, 2013

Reserve Fund	Amounts
Balance	\$546,000.00
Requirement	546,000.00
Above (Below) Requirement	(\$0.00)

BOND CALL SUMMARY

There were no bond calls performed during Fiscal Year 2012/13. The outstanding bond amount as of October 02, 2013 is \$6,395,000.00.

DELINQUENCY SUMMARY*

Delinquency Summary for Most Recent Fiscal Year (Data as of: 5/07/2013)		Cumulative Summary for All Years With Delinquencies (Data as of: 5/07/2013)	
(\$)	(%)	(\$)	(%)
40,088.61	5.14	95,693.28	1.54

*For a more comprehensive summary, please see the *Delinquency Management* tab of this report.

City of South Lake Tahoe Community Facilities District No. 1995-1 FRAMEWORK

SUMMARY

The following table shows formation proceeding information and applicable bond issue information for the District:

Formation and Bond Issue Information	
Resolution of Intention to Establish	1995-82
Date of Resolution of Intention to Establish	November 7, 1995
Resolution of Formation	1995-95
Date of Resolution of Formation	December 12, 1995
Foreclosure Covenants	See below
County Fund Number	20361

SYNTHESIS OF PROCEEDINGS

The Mello-Roos Community Facilities Act ("Act") of 1982 came about as a response to the lack of adequate financing for public capital facilities and services in the post-Proposition 13 era. State Legislators Mello and Roos sponsored this Bill, which was enacted into law by the California Legislature and is now Sections 53311 through 53363 of the California Government Code. The Act authorizes a local governmental agency, such as a school district or city, to form a Community Facilities District ("CFD") within a defined set of boundaries for the purposes of providing public facilities and services. A CFD is formed for financing purposes only, and is governed by the agency that formed it.

BOUNDARIES

CFD No. 1995-1 is in the northeastern part of the City of South Lake Tahoe, County of El Dorado, California. The CFD lies generally north of U.S. Highway 50 and north east of Ski Run Boulevard.

THE BONDS

The community facilities district is non-bonded.

COVENANT FOR JUDICIAL FORECLOSURE

The City Council, as an alternative enforcement mechanism, may by resolution elect to place delinquent special taxes on the next secured property tax roll. In

such event, attorneys' fees and costs to date in any foreclosure action, and penalties on the delinquency through the following December 1, may be included in the amount to be placed on the roll. Both remedies may be pursued simultaneously, but if the property owner pays the regular property tax bill for the subsequent year, including the delinquent special tax posted to that bill, the foreclosure action may thereafter be pursued solely for attorney's fees and costs incurred subsequent to the posting of the delinquent special tax on the secured roll.

FINANCED FACILITIES

The CFD was formed to provide financing for the construction of Ski Run Artificial Wetlands and Detention Basins, Stateline Erosion Control, Linear Park, Acquisition of View Corridor to Lake, Improvement of View Corridor, Beach Restrooms, Interpretive Center for Water Quality Project, Public Art and Fountains in Redevelopment Area, Elevated Walkway for Public Access to Wetlands and Beach Restrooms.

AUTHORIZED SERVICES

Authorized services shall include police protection services, including, but not limited to, criminal justice services; fire protection and suppression services; ambulance and paramedic services; maintenance of parks, parkways and open space; flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection services; and services with repeat to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

City of South Lake Tahoe
Community Facilities District No. 2001-1 (Park Avenue Project)
FRAMEWORK

SUMMARY

The following table shows formation proceeding information and applicable bond issue information for the District:

Formation and Bond Issue Information	
Resolution of Intention to Establish	2001-3
Date of Resolution of Intention to Establish	February 20, 2001
Resolution Declaring the Formation	2001-5
Date of Resolution Declaring the Formation	April 3, 2001
Resolution of Issuance	2007-1
Date of Resolution of Issuance	January 16, 2007
Date of Bond Issue (Dated Date)	February 13, 2007
Final Maturity	October 1, 2031
Authorized Debt Amount	\$7,200,000.00
Amount of Bond Issue	\$7,200,000.00
Interest Rate Range	3.7-5%
Bond Call Notice	30 days
Redemption Premium	0-3%
Foreclosure Covenants	December 1st
County Fund Number	20365

SYNTHESIS OF PROCEEDINGS

The Mello-Roos Community Facilities Act ("Act") of 1982 came about as a response to the lack of adequate financing for public capital facilities and services in the post-Proposition 13 era. State Legislators Mello and Roos sponsored this Bill, which was enacted into law by the California Legislature and is now Sections 53311 through 53363 of the California Government Code. The Act authorizes a local governmental agency, such as a school district or city, to form a Community Facilities District ("CFD") within a defined set of boundaries for the purposes of providing public facilities and services. A CFD is formed for financing purposes only, and is governed by the agency that formed it. Boundaries.

Pursuant to the law, the Governing Board adopted Resolution Nos. 2001-3 and 2001-4 on February 20, 2001, stating its intention to establish the District and to incur debt. Pursuant to Resolution Nos. 2001-5 and 2001-6 adopted by the Governing Board on April 3, 2001, the District was formed, bonded indebtedness

in an aggregate principal amount not to exceed \$30,000,000 and a Rate and Method of Apportionment of Special Taxes for the District were authorized pursuant to the law for approval of those matters. The qualified electorate of the District voted in favor of the incurrence of bonded indebtedness and levy of special tax on real property within the District to pay principal and interest on the bonds, to pay for the public facilities, to pay administrative expenses of the District, and to make any replenishment to the Bond Reserve Fund. On July 17, 2001 the Governing Board declared the results of the election by adoption of its Resolution 2001-9 and also adopted its Resolution No. 2001-10 approving a revised statement of the Rate and Method of Apportionment of Special Taxes for the District (the "Special Tax Formula"). A Notice of Special Tax Lien on property within the District was recorded on the Official Records of El Dorado County on October 15, 2001 as Document No. 2001-0063673. Ordinance No. 913, an Ordinance Levying Special Taxes on property within the District, was adopted and became effective on November 13, 2001. On December 19, 2001, the prior bonds were issued.

In 2002, the Governing Board undertook proceedings to annex an additional 6.29 acres, referred to as "Zone," to the District. One June 18, 2002, the District adopted Resolution 2002-7 stating its intention to annex Zone B to the District and conducted a public hearing regarding the proposed annexation. One June 18, 2002, the Governing Board adopted Resolution 2002-8 calling an election within Zone B regarding the annexation. At the election, Marriott Ownership Resorts, Inc., as the sole qualified elector, voted in favor of the annexation. One June 18, 2002, the Governing Board adopted Resolution No. 2002-9 certifying the results of the annexation election.

In 2002, the Governing Board also undertook proceedings to amend the original Rate and Method. One June 18, 2002, the Governing Board adopted Resolution No. 2002-4 stating its intention to consider alternating the original Rate and Method and Resolution No. 2002-5 calling for an election within Zone A and Zone B to approve the alteration. One June 18, 2002, the Governing Board adopted Resolution No. 2002-6 certifying the results of the election where the qualified electors of the District approved the revised Rate and Method of Apportionment of Special Tax. One June 18, 2002, the Governing Board also adopted Resolution No. 2002-11 approving Rate and Method and Ordinance No. 919 authorizing the levy of the special tax pursuant to the Rate and Method. On July 19, 2002, the District recorded an Amended Notice of Special Tax Lien as Document No. 2002-0052184-000 in the Official Records of El Dorado County.

By the adoption of Resolution No. 2007-1 on January 16, 2007, the Governing Board authorized the issuance of the Series 2007 bonds.

BOUNDARIES

The District boundaries presently encompass an area of approximately 9.32 acres designated “Zone A” which includes (i) approximately 5.38 acres of private development property (Lots 5, 7, 8, 9 and 13) that is subject to special tax levies and (ii) approximately 3.94 acres of property (Lots 3, 6, 10 and 11) that is being used for perimeter landscaping, a public ice rink, open space and a parking garage, all of which are exempt from special taxes of the District. The District boundaries also encompass property designated as Zone B, encompassing approximately 6.29 acres. Property across Heavenly Village Way from the District designated as and property across Park Avenue from the District designated as Zone C has been designated for possible future annexation into the District. Zone C is not now in the District and there can be no assurance as to when or if Zone will be annexed into the District in the future.

COVENANT FOR JUDICIAL FORECLOSURE

The District has covenanted for the benefit of the owners of the bonds that it will commence, and diligently pursue to completion, judicial foreclosure proceedings against assessor’s parcels with delinquent special taxes in excess \$1,000 by the December 1 following the close of the fiscal year in which such special taxes were due, and it will commence and diligently pursue to completion judicial foreclosure proceedings against all assessor’s parcels with delinquent special taxes by the December 1 following the close of any fiscal year in which it receives special taxes in an amount which is less than 90% of the total special taxes levied for the fiscal year, and will diligently pursue such foreclosure proceedings until the delinquent special taxes are paid. Given that the amount of special taxes levied on ownership units is less than \$50, the collection of these amounts may be costly and time consuming.

FINANCED FACILITIES

The Special Tax Formula lists the following facilities that the District is authorized to finance:

- Development of an Intermodal Transit Center
- The improvement of Van Sickle Street to a public street including the under grounding of all utilities.
- The realignment of Park Avenue including the relocation and under grounding of all utilities and the construction of streetscape therein.
- The drainage basin acquisition and construction to treat runoff associated with the Park Avenue Project.

- The construction of a right turn lane between Pioneer Trail and Park Avenue on U.S. Highway 50.
- Improvements to Fern Road to create a cul-de-sac.
- The construction of a transit lane along U.S. Highway 50.
- Streetscape improvements.
- Parking garage.
- Stream environment zone restoration.
- Public plaza improvements.
- Land acquisition, demolition and relocation attributable to the installation of the above listed public improvements.

City of South Lake Tahoe
Community Facilities District No. 1995-1
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

MAXIMUM ANNUAL SPECIAL TAX

All Property shall be subject to a maximum, annual Special Tax beginning in Tax Year 1996-1997. The Special Tax shall consist of two parts, a **facilities** part and a **services** part.

FACILITIES:

The maximum, annual Special Tax for facilities is \$43, until and including Tax Year 2030-2031, after which the authority to levy the Special Tax for facilities shall terminate.

SERVICES:

(1) Basic: The Special Tax for services consists itself of two parts, a "Part (i) Special Tax" and a "Part (ii) Special Tax." The maximum, annual Part (i) Special Tax for services is \$1.50 and not subject to increase. The maximum, annual Part (ii) Special Tax for services is \$3.50 for Tax Year 1996-1997. The maximum, annual Part (ii) Special Tax for services for each subsequent Tax Year shall be increased over the immediately preceding Tax Year by the annual percentage increase for the previous year in the Consumer Price Index for the Sacramento area as published in "Consumer Price Indexes - Pacific Cities and U.S. City Average" from the U.S. Department of Labor, Bureau of Labor Statistics. If this Consumer Price Index ever ceases to be published, the City Council may select an appropriate and similar index to replace it.

(2) One-Time, Extraordinary Adjustment: At the time the facilities portion of the Special Tax ceases to be levied, the City shall calculate the actual costs of the services being provided within the CFD, and if they exceed the amount of the total Special Tax for services then being collected, the city may increase the maximum, annual Part (ii) Special Tax for services so that the total maximum Special Tax for services will equal the actual costs of services. The increase, however, may not exceed \$43. This adjustment is to be made once only, and thereafter the Part (ii) Special Tax for services shall continue to be subject to annual inflation increases as set forth in paragraph (1), above.

METHOD OF APPORTIONMENT

The Special Taxes shall be levied for each Tax Year by the Council, although the Council may delegate this task to City staff or to consultants by ordinance so long as the Council retains the right to set the Special Tax in any Tax Year by resolution. It is expected that the Special Tax shall be levied at its maximum rate each year, although the Council may levy the Special Tax at less than its maximum amount so long as the levy is the same for each taxed Property. The levy may never exceed the maximum tax authorized. The Special Tax may not be levied for the purpose of paying debt service on bonds or for the purpose of paying directly for facilities beyond the 2030-2031 Tax Year. The Special Tax may be continued beyond that date without limitation as to time for authorized services. Under no circumstances will the Special Tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within CFD 1995-1 by more than ten percent.

SOUTH TAHOE REDEVELOPMENT AGENCY
COMMUNITY FACILITIES DISTRICT No. 2001-1
(PARK AVENUE PROJECT)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

This Rate and Method of Apportionment of Special Tax has been prepared for Community Facilities District No. 2001-01 (the "District") established by the South Tahoe Redevelopment Agency. The District will issue bonds and annually levy a Special Tax to pay bond debt service, finance certain public facilities within the boundaries of the District and to pay certain incidental expenses.

I. Definitions

The terms hereinafter used have the following meanings:

"Acre" means 43,560 square feet of land area of an Assessor Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area as shown on the applicable final map, parcel map, condominium map, or other map or plan 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 Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Annual Special Tax and preparing the Annual Special Tax collection schedules (whether by the Agency or designee thereof or both); the costs of collecting the Annual Special Tax (whether by the Agency or otherwise); the costs of remitting the Annual Special Tax to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; the costs to the Agency, District or any designee thereof of complying with Agency and District or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Tax; the costs of the Agency and District or any designee thereof related to an appeal of the Annual Special Tax; and the costs associated with the Agency's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Agency for any other administrative purposes of the District, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Annual Special Taxes.

"Agency" means the South Tahoe Redevelopment Agency and the South Tahoe Joint Powers Financing Authority.

"Agency Board" means the governing body of the South Tahoe Redevelopment Agency.

"Agency Debt Service" means maximum annual debt service on any proposed (calculated at the Bond Buyer Revenue Bond Index plus 150 basis points over a 30 year maturity) or actual refinancing of the Agency's Subordinate Bond Anticipation Notes 1999 Series A.

"Agency Revenues" means Net Tax Increment Revenues plus TOT Revenues generated from the Park Avenue Project.

"All Phases" means the completed Marriott Ownership Resort after all of the approximately 265 physical units have been constructed.

"Annual Costs" means that amount required in any Tax Year for the District to: (i) pay debt service on all Bonds; (ii) pay periodic costs on the Bonds including but not limited to, credit enhancement, and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for the Bonds; (v) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for such Special Taxes levied in the previous Tax Year; (vi) transfer one hundred ninety thousand dollars (\$190,000) in collected Special Taxes to the South Tahoe Joint Powers Parking Financing Authority pursuant to the Parking Facilities Agreement dated June 1, 2002; and (vii) deposit and accumulate in a fund Annual Special Taxes to pay for all or a part of any of the facilities shown on Attachment 1.

"Annual Special Tax" means the amount of special tax levied annually by the District on each Assessor Parcel, or fraction thereof, of Taxable Property within the District to pay for the Annual Costs.

"Annual Special Tax Revenues" means the revenues that are generated on an annual basis from the levy of the Special Tax.

"Assessor Parcel" or "Parcel" means a lot or parcel assigned with an Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the assessor of El Dorado County designating parcels by Assessor Parcel number.

"Backup Special Tax" means a Special Tax that will be levied if any of the Land Use Categories change in the future, as more fully described in Section III, subsection D.

"Bonds" means the bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Agency for the District under the Act.

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

"City" means the City of South Lake Tahoe.

"Coverage Factor" means the percentage calculated by dividing the numerator which is the amount by which Agency Revenues exceeds Agency Debt Service and denominator which is the total amount of Agency Revenues.

"Commercial" includes uses defined by the Tahoe Regional Planning Association as Commercial Floor Area and also all other square footage used for commercial purposes.

"Developed Property" is property for which a Certificate of Completion has been issued pursuant to the DDA.

"DDA" means the Master Disposition and Development Agreement (as amended) among the Agency, the City and American Skiing Company Resort Properties, Inc.; Heavenly Resort Properties, LLC; Heavenly Valley LP; Trans-Sierra Investments; Cecil's LLC; and Marriott Ownership Resorts, Inc. (collectively referred to as the Developers).

"District Map" means the map that is attached as Exhibit 1 to this Rate and Method.

"Fiscal Year" means the Agency's fiscal year.

"Grand Summit Resort" means the Ownership Unit development to be constructed by Heavenly Resort Properties (or such other substitute development entity as allowable under the DDA) within Zone A as shown on the District Map.

"Land Use Category" means any of the land uses shown in Section III below, including Ownership Units, the gondola and commercial uses.

"Imposition Date" means June 1, 2005, which is the fourth anniversary of the first day of the month following the month in which actual construction of improvements on the Grand Summit Resort and the Marriott Ownership Resort commenced.

"Marriott Ownership Resort" means the Ownership Unit development to be constructed by Marriott Ownership Resorts (or such other substitute development entity as allowable under the DDA) within Zone B as shown on the District Map.

"Maximum Annual Debt Service" has the meaning contained in the Bond Indenture for those Bonds.

"Maximum Special Tax" means the maximum Special Tax determined per Section III that can be levied in any Tax Year on an Assessor Parcel.

"Minimum Coverage Factor" means .25 (25%).

"Net Tax Increment Revenues" means all tax increment revenues allocated to the Agency from the Park Avenue Project pursuant to Section 33670 of the Community Redevelopment Law less the Agency's required deposit to the Low and Moderate Income Housing Fund and less the pro-rated amount of property tax administrative fees attributable to the Park Avenue Project that are retained by El Dorado County. In calculating Net Tax Increment Revenues, the Agency may use estimated tax increment for 2006-07 based upon the assessed valuation of taxable property for the Park Avenue Project shown on the 2006-07 El Dorado County assessment roll.

"Ownership Unit" means an undivided 1/52nd ownership interest in a residential condominium unit.

"Park Avenue Project" means the 17 acre site bounded by the Embassy Suites Hotel to the north, Van Sickle Road to the east, Park Avenue to the south, and Highway 50 to the west.

"Phase 1 " means the first phase of the Marriott Ownership Resort after approximately 145 physical units have been constructed.

"Phase 1 and 2" means the first and second phase of the Marriott Ownership Resort after approximately 193 physical units have been constructed.

"Pre-Annexation" means the period of time prior to the annexation of Zone B to the District.

"Post-Annexation" means the period of time after the annexation of Zone B to the District.

"Sold Ownership Unit" means a legally transferable interest in an Ownership Unit that (a) has been transferred at least once by the original Developer thereof to an owner other than such original Developer and (b) includes the right to occupy such Unit for a particular period of time on a periodic basis. Once a legally transferable interest in an Ownership Unit becomes a Sold Ownership Unit, the subsequent acquisition of such interest by a Developer shall not cause such legally transferable interest to lose its status as a Sold Ownership Units. After the Imposition Date, all remaining unsold Ownership Units will be considered Sold Ownership Units for purposes of the levy of the Special Tax.

"Special Tax or Special Taxes" means a Special Tax levied in any Tax Year to pay the Annual Cost.

"Taxable Property" means all of the Assessor Parcels within the boundaries of the District which are not exempt pursuant to the provisions of Section IV below.

"Tax Exempt Property" means any Assessor Parcel within the boundaries of the District that is used for rights of way or any other purpose and is owned by or dedicated to the federal government, the State of California, El Dorado County, the City, the Agency or any other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 55340.1 of the Act shall be taxed and classified in accordance with its use.

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

"TOT Revenues" means the actual transient occupancy tax revenues collected for Fiscal Year 2005-06 from the Park Avenue Project pursuant to Ordinance No. 868 adopted by the Agency on October 17, 1995.

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

"Undeveloped Property" means all Assessor Parcels in the District which are not classified as Developed Property.

"Zone A" means all of the property designated as such on the District Map.

"Zone B" means all of the property designated as such on the District Map.

"Zone C" means all of the property designated as such on the District Map.

II. District Boundaries and Future Annexations

The District will initially include the properties shown on the District Map as Zone A, which includes the Grand Summit Resort; the gondola; commercial development; and the properties shown on the District Map as Zone B, including the Marriott Ownership Resort and commercial development. Future annexations to the District may include the properties shown on the District Map as Zone C, the Crescent V Shopping Center.

III. Maximum Special Tax Rates

The Maximum Special Tax for each Assessor Parcel shall be the sum of 1) the Non Contingent Special Tax; plus 2) the Contingent Special Tax; plus 3) the Revenue

Neutrality Special Tax, plus 4) the Backup Special Tax, all as calculated per Subsections A through D below.

The Annual Special Tax Revenues collected each Tax Year by the District shall be used to pay for the Annual Costs of the District. It is expected that the Special Tax shall be levied at its maximum each year. The District may elect to levy less than the maximum tax pursuant to Subsection F below.

All Assessor Parcels shall be assigned to one of the Land Use Categories described in Subsection A, B, and C. Additionally, all Assessor Parcels shall be classified as Developed Property, Undeveloped Property, or Tax Exempt Property.

A. Non Contingent Special Tax

The table below shows the Non Contingent Special Tax. the Non Contingent Special Tax shall be levied on Developed Property commencing with the 2002-03 Tax Year.

Land Use Category	Special Tax Rate	Basis
Zone A Ownership Unit	\$35.56 pre Imposition Date * \$17.78 Post Imposition Date *	Per Sold Ownership Unit
Zone B Ownership Unit Phase 1 Phase 1 and 2 All Phases	\$14.32 pre Imposition Date \$24.39 post Imposition Date * \$18.33 post Imposition Date * \$14.32 post Imposition Date *	Per Sold Ownership Unit
Gondola	\$121,440	Per Parcel
Zone A Commercial	\$1.12 Pre-Annexation \$0.64 Post Annexation	Per Square Foot of gross leasable area
Zone B Commercial	\$0.64 Post Annexation	Per Square Foot of gross leasable area
Zone B Commercial	\$0.19	Per Square Foot of gross leasable area
Undeveloped Property	\$0	N/A
Skating Rink	\$0	N/A

*The Imposition Date shown above is based on the Imposition Date as measured for the Marriott Ownership Resort. The Special Tax Rate for Zone B Ownership Units (post Imposition Date) is based on the number of phases that are completed. The Special Tax Rate for Zone A Ownership Units can only decline after the Imposition Date.

Prior to reaching the Imposition Date for Zone B Ownership Units, the Non Contingent Special Tax Rate for Zone A Ownership Units shall be reduced annually based on the following formula:

1. Determine the Annual Special Tax Revenues generated from Zone B Sold Ownership Units by multiplying the number of Zone B Sold Ownership Units times the Zone B Ownership Unit Special Tax Rate

2. Determine the reduction for Zone A Ownership Units by dividing the Annual Special Tax Revenues from (1) by the total number of Zone A Ownership, Units.

3. Reduce the Zone A Ownership Unit Special Tax Rate of \$35.56 by the amount of the per unit reduction determined per (2).

Attachment 2 provides a sample calculation for reducing Non Contingent Special Taxes for Zone A Ownership Units.

B. Contingent Special Tax

The Contingent Special Tax shall only be triggered if the Coverage Factor is less than the Minimum Coverage Factor. If this occurs, the Contingent Special Tax shall be levied beginning with the 2006-07 Tax Year.

The Contingent Special Tax shall be levied on Developed Property. The table below shows the Contingent Special Tax.

Land Use Category	Special Tax Rate	Basis
Zone A Ownership Unit	\$8.20	Per Sold Ownership Unit
Gondola	\$14,349	Per Parcel
Zone A Commercial	\$0.14 Pre-Annexation \$0.03 Post Annexation	Per Square Foot of gross leasable area
Zone B Commercial	\$0.03 Post Annexation	Per Square Foot of gross leasable area
Zone B Commercial	\$0.07	Per Square Foot of gross leasable area
Undeveloped Property	\$0	N/A
Skating Rink	\$0	N/A

C. Revenue Neutrality Special Tax

The Revenue Neutrality Special Tax shall be levied on Developed Property commencing with the 2002-03 Tax Year. The table below shows the Revenue Neutrality Special Tax.

Land Use Category	Special Tax Rate	Basis
Zone A Ownership Unit	\$3.91	Per Sold Ownership Unit
Zone B Ownership Unit	\$17.90	Per Sold Ownership Unit
Gondola	\$27,000	Per Parcel
Zone A Commercial	\$0.19	Per Square Foot of gross leasable area
Zone B Commercial	\$0.19	Per Square Foot of gross leasable area

D. Backup Special Tax

Should any of the Land Use Categories change from those described in Subsections A, B or C, a Backup Special Tax shall be levied on each Assessor Parcel of Developed Property on a per Acre basis regardless of the new land use. The amount of the Backup Special Tax shall be in the amount shown below for each Acre of changed land use. Fractions of Acres shall be taxed at a proportionate amount.

Former Land Use Category	Special Tax Rate
Zone A Ownership Unit	\$87,238
Zone B Ownership Unit	\$127,656
Gondola	\$134,536
Commercial:	
Zone A - Grand Summit Resort	\$16,778
Zone A - other	\$ 59,466
Zone B - within Marriott	\$2,660
Zone B - other	\$71,346
Zone C	\$2,820

E. Multiple Land Uses

In some Instances, an Assessor Parcel of Developed Property may contain more than one land use. The Maximum Special Tax that can be levied on an Assessor Parcel shall be the sum of Maximum Special Taxes that can be levied for all land uses located on that Assessor Parcel.

F. Offsets to Maximum Special Tax

The Maximum Special Tax can be reduced in any Tax Year as follows:

- 1) Pursuant to the provisions of the Bond Indenture; and/or
- 2) If the Annual Special Tax Revenues generated from the application of the Maximum Special Tax exceeds the Annual Costs of the District, and the Annual Costs exceed Maximum Annual Debt Service by 10 percent, the Agency Board, at its sole discretion, may reduce the Maximum Special Tax Rates in any Tax Year. The following formula shall be used:
 - (a) Determine the amount by which the Annual Special Tax Revenues derived from the application of the Maximum Special Tax exceeds the Annual Costs for the Tax Year.
 - (b) Calculate a percentage by dividing the amount derived from (a) by the total amount of the Annual Special Tax Revenues.

- (c) Reduce the Maximum Special Tax Rates for the Tax Year by the percentage derived from (b) above.

IV. Exemptions

The Special Tax shall not be levied against Tax-Exempt Property. However, if an Assessor Parcel that is subject to the Special Tax is acquired by a public entity, the Parcel shall continue to be subject to the Special Tax based on the use of such property at the time of acquisition by the public entity, as required by Section 53317.3 of the Act.

V. Manner of Collections

The Special Taxes shall be collected in the same manner and at the same time as ad valorem property taxes. If the District is unable to place the Special Tax on the County assessment roll in the Tax Year that an Ownership Unit becomes a Sold Ownership Unit or Commercial property is designated as Developed Property, the following alternative procedure shall be followed. For Sold Ownership Units the Developers shall collect the first year's Special Tax at the time the Developers close escrow on each Ownership Unit and direct any escrow holders to pay such amounts to the District immediately upon close of each escrow. For Commercial and the Gondola, the District shall directly bill the Developers. Special Taxes that are due for a partial Tax Year shall be prorated over the remaining months of the Tax Year.

The District may also directly bill the Special Tax in any other Tax Year, may collect Special Taxes at a different time or in a different manner and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until ten years after debt service on Bonds has been repaid.

VI. Appeals and Interpretation Procedure

Any taxpayer that feels that the amount or formula of the Special Tax is in error may file an application with the Executive Director of the Agency contesting the levy of the Special Tax. The Executive Director or his or her appointees (including any outside consultants) shall promptly review the application and, if necessary, meet with the applicant. If the findings of the Executive Director verify that the Special Tax should be modified or changed, a recommendation to the Agency Board will be made. As appropriate, the Special Tax levy shall be corrected and, if applicable, a refund shall be granted. If the Executive Director denies the application, the taxpayer may appeal that determination within 14 days of the mailing of notification of denial,

to the Agency Board under such procedures as the Agency Board shall establish. The determination of the Agency Board on the appeal shall be final for all purposes. The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due. Interpretations may be made by Resolution of the Agency Board for purposes of clarifying any vagueness or ambiguity as it relates to any of the terms or provisions of this Rate and Method of Apportionment.

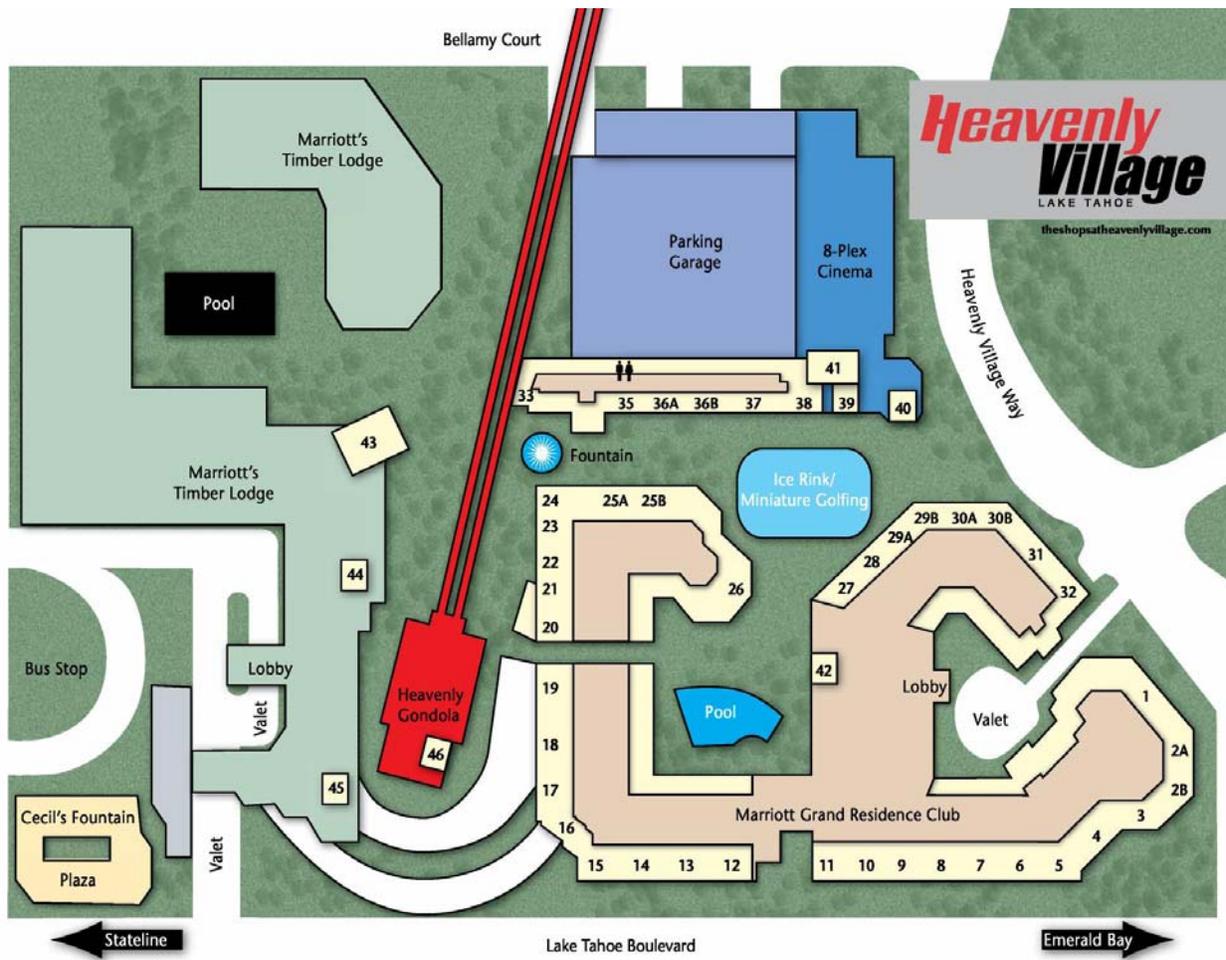
City of South Lake Tahoe
Community Facilities District No. 2001-1 (Park Avenue Project)
ORIGINAL DEBT SERVICE SCHEDULE

Dated Date: 2/13/2007
First Coupon: 4/1/2007
First Maturity: 10/1/2007

Payment Due	Interest Rate	Bond Call	Called Amount	Principal Due	Interest Due	Semi-Annual Payment	Total Annual
4/1/2007					\$45,575.33	\$45,575.33	
10/1/2007	3.70000%			175,000.00	170,907.50	345,907.50	391,482.83
4/1/2008					167,670.00	167,670.00	
10/1/2008	3.70000%			75,000.00	167,670.00	242,670.00	410,340.00
4/1/2009					166,282.50	166,282.50	
10/1/2009	3.75000%			80,000.00	166,282.50	246,282.50	412,565.00
4/1/2010					164,782.50	164,782.50	
10/1/2010	3.90000%			80,000.00	164,782.50	244,782.50	409,565.00
4/1/2011					163,222.50	163,222.50	
10/1/2011	4.00000%			85,000.00	163,222.50	248,222.50	411,445.00
4/1/2012					161,522.50	161,522.50	
10/1/2012	4.10000%			85,000.00	161,522.50	246,522.50	408,045.00
4/1/2013					159,780.00	159,780.00	
10/1/2013	4.25000%			225,000.00	159,780.00	384,780.00	544,560.00
4/1/2014					154,998.75	154,998.75	
10/1/2014	4.35000%			235,000.00	154,998.75	389,998.75	544,997.50
4/1/2015					149,887.50	149,887.50	
10/1/2015	4.40000%			245,000.00	149,887.50	394,887.50	544,775.00
4/1/2016					144,497.50	144,497.50	
10/1/2016	4.50000%			255,000.00	144,497.50	399,497.50	543,995.00
4/1/2017					138,760.00	138,760.00	
10/1/2017	4.50000%			265,000.00	138,760.00	403,760.00	542,520.00
4/1/2018					132,797.50	132,797.50	
10/1/2018	4.60000%			280,000.00	132,797.50	412,797.50	545,595.00
4/1/2019					126,357.50	126,357.50	
10/1/2019	4.60000%			290,000.00	126,357.50	416,357.50	542,715.00
4/1/2020					119,687.50	119,687.50	
10/1/2020	4.70000%			305,000.00	119,687.50	424,687.50	544,375.00
4/1/2021					112,520.00	112,520.00	
10/1/2021	4.70000%			320,000.00	112,520.00	432,520.00	545,040.00
4/1/2022					105,000.00	105,000.00	
10/1/2022	5.00000%			335,000.00	105,000.00	440,000.00	545,000.00
4/1/2023					96,625.00	96,625.00	
10/1/2023	5.00000%			350,000.00	96,625.00	446,625.00	543,250.00
4/1/2024					87,875.00	87,875.00	
10/1/2024	5.00000%			370,000.00	87,875.00	457,875.00	545,750.00
4/1/2025					78,625.00	78,625.00	
10/1/2025	5.00000%			385,000.00	78,625.00	463,625.00	542,250.00
4/1/2026					69,000.00	69,000.00	
10/1/2026	5.00000%			405,000.00	69,000.00	474,000.00	543,000.00
4/1/2027					58,875.00	58,875.00	
10/1/2027	5.00000%			425,000.00	58,875.00	483,875.00	542,750.00
4/1/2028					48,250.00	48,250.00	
10/1/2028	5.00000%			445,000.00	48,250.00	493,250.00	541,500.00
4/1/2029					37,125.00	37,125.00	
10/1/2029	5.00000%			470,000.00	37,125.00	507,125.00	544,250.00
4/1/2030					25,375.00	25,375.00	
10/1/2030	5.00000%			495,000.00	25,375.00	520,375.00	545,750.00
4/1/2031					13,000.00	13,000.00	
10/1/2031	5.00000%			520,000.00	13,000.00	533,000.00	546,000.00
Totals:		\$0.00	\$0.00	\$7,200,000.00	\$5,581,515.33	\$12,781,515.33	\$12,781,515.33

Outstanding Principal	\$6,395,000.00
Matured Principal	805,000.00
Called Principal	0.00
Total Bond Issue	\$7,200,000.00

DISTRICT MAP



**City of South Lake Tahoe
Community Facilities District No. 1995-1
FUND ACCOUNT SUMMARY**

FUND BALANCES AND INVESTMENT SUMMARY

This district is non-bonded and therefore all funds are held by the agency.

City of South Lake Tahoe
Community Facilities District No. 2001-1
(Park Avenue Project)
FUND ACCOUNT SUMMARY

ADMINISTRATIVE EXPENSE ACCOUNT OF THE SPECIAL TAX FUND

The Trustee will not less often than annually transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund from time to time amounts necessary to make timely payment of the Administrative Expenses upon the written direction of an Authorized Representative of the District; provided, however, that the total deposit made to the Administrative Expense Account in any Bond Year will not exceed the Administrative Expense Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds due in such Bond Year or unless such amounts are transferred to pay expenses directly related to the collection of delinquent Special Taxes. In the event that the Trustee has not received written direction from the District prior to March 1 of a year as to the amount to be deposited to the Administrative Expense Account of the Special Tax Fund, the Trustee shall transfer an amount equal to one-half of the Administrative Expense Cap to the Administrative Expense Account of the Special Tax Fund and notify the District, in writing, of such transfer. Moneys in the Administrative Expense Account of the Special Tax Fund may be invested in any Authorized Investments as directed by an Authorized Representative of the District. An Authorized Representative of the District may direct the Trustee, in writing, to transfer all or a portion of the balance in the Administrative Expense Account of the Special Tax Fund to another Fund or Account or to the Agency or a third party.

PROJECT FUND

The moneys in the Acquisition and Construction Fund will be applied exclusively to pay the Project Costs or Costs of Issuance. Amounts for Project Costs or Costs of Issuance will be disbursed by the Trustee from the Project Account or the Costs of Issuance Account, as applicable, in the Acquisition and Construction Fund pursuant to a Certificate of the Executive Director of the Agency which must be submitted in connection with each requested disbursement. Each such Certificate of the Executive Director of the Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon receipt of a Certificate of the Executive Director of the Agency that all or a specified portion of the amount remaining in the Acquisition and Construction Fund is no longer needed to pay Project Costs or Costs of Issuance, the Trustee will transfer all or such specified portion of the moneys remaining on deposit in one or more of the accounts in the Acquisition and Construction Fund to the Surplus Fund.

Once there is no amount remaining in the Acquisition and Construction Fund, it shall be closed.

SPECIAL TAX FUND

All special taxes received by the District are to be deposited in the Special Tax Fund. Special taxes deposited in the Special Tax Fund each fiscal year are to be applied by the Trustee under the Indenture in the following order of priority: (i) to deposit up to the Administrative Expenses Cap into the Administrative Expenses Account to pay administrative expenses; (ii) to pay the principal of and interest on the bonds when due; (iii) to replenish the Reserve Account to the Reserve Requirement; (iv) to make any required transfers to the Rebate Fund; (v) to pay administrative expenses of the District above the Administrative Expenses Cap referenced in (i) above; and (vi) for any other lawful purpose of the District.

RESERVE FUND

In order to secure further the payment of principal of and interest on the bonds, the District is required, upon delivery of the bonds, to deposit in the Reserve Account and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement, which is defined as the amount, as of any date of calculation, equal the lowest of (i) 10% of the initial principal amount of the bonds, less original issue discount, if any, plus original issue premium, if any, or; (ii) the Maximum Annual Debt Service on the bonds, or (iii) one hundred twenty-five percent (125%) of average annual debt service on the bonds. Subject to the limits on the maximum annual special tax which may be levied within the District, the District has covenanted to levy special taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the special tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied to (i) pay debt service on the bonds, to the extent other monies are not available therefore; and (ii) pay the principal and interest due in the final year of maturity of each series of bonds.

SURPLUS FUND

After making the transfers required by the Indenture under the sections entitled Administrative Expense Account of the Special Tax Fund, Interest Account and Principal Account of the Special Tax Fund, Redemption Account of the Special Tax Fund, Reserve Account of the Special Tax Fund and Rebate Fund, as soon as practicable after each October 1, and in any event prior to each November 1, the Trustee will transfer all remaining amounts in the Special Tax Fund, if any, to the Surplus Fund, unless directed, in writing, by an Authorized Representative of the District to return a specified amount in the Special Tax Fund. Moneys deposited in the Surplus Fund will be transferred by the Trustee, at the written direction of the District, (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments,

premium, if any, and interest on the Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, (ii) to the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement, and (iii) to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses. In the event unexpended amounts remain on deposit in the Surplus Fund after the foregoing transfers, if any, the District will apply such unexpended amounts to, in its sole discretion, either (i) pay Project Costs, (ii) to reduce the next fiscal years Special Tax levy by depositing such amount in the Special Tax Fund, or (iii) for any other lawful purpose of the District, including a transfer to the Agency or the South Tahoe Joint Powers Parking Authority to pay all or portion of the debt service due on indebtedness incurred to construct a portion of the Project consisting of a parking garage.

City of South Lake Tahoe
Community Facilities District No. 1995-1
DELINQUENCY MANAGEMENT SUMMARY

Willdan Financial Services has not performed any Delinquency Monitoring Actions during Fiscal Year 2012/13.

DELINQUENCY SUMMARY BY DISTRICT

City of South Lake Tahoe

Community Facilities District No. 1995-1

DUE DATE	DOLLARS LEVIED	DOLLARS DELINQUENT	% DOLLARS DELINQUENT	PARCELS LEVIED	PARCELS DELINQUENT	DATA DATE
2007/08-1	\$122,963.10	\$270.60	0.22%	6,687	15	05/07/2013
2007/08-2	122,963.10	332.10	0.27%	6,687	19	05/07/2013
2008/09-1	123,165.54	703.38	0.57%	6,678	39	05/07/2013
2008/09-2	123,165.54	888.48	0.72%	6,678	50	05/07/2013
2009/10-1	130,203.63	877.08	0.67%	6,759	48	05/07/2013
2009/10-2	130,203.63	1,531.75	1.18%	6,759	89	05/07/2013
2010/11-1	130,331.74	2,201.34	1.69%	6,758	126	05/07/2013
2010/11-2	130,331.74	2,386.84	1.83%	6,758	136	05/07/2013
2011/12-1	130,610.71	3,372.02	2.58%	6,755	194	05/07/2013
2011/12-2	130,610.71	3,942.24	3.02%	6,755	214	05/07/2013
2012/13-1	130,893.87	8,559.63	6.54%	6,755	456	05/07/2013
2012/13-2	130,893.87	11,491.58	8.78%	6,755	607	05/07/2013
TOTAL	\$1,536,337.18	\$36,557.04	2.38%			

**City of South Lake Tahoe
Community Facilities District No. 2001-1 (Park Avenue
Project)**

DELINQUENCY MANAGEMENT SUMMARY

Willdan Financial Services has not performed any Delinquency Monitoring Actions during Fiscal Year 2012/13.

DELINQUENCY SUMMARY BY DISTRICT

City of South Lake Tahoe

Community Facilities District No. 2001-1 (Park Avenue Project)

DUE DATE	DOLLARS LEVIED	DOLLARS DELINQUENT	% DOLLARS DELINQUENT	PARCELS LEVIED	PARCELS DELINQUENT	DATA DATE
2003/04-1	\$274,962.45	\$748.89	0.27%	2,429	19	05/07/2013
2003/04-2	274,962.45	974.43	0.35%	2,429	33	05/07/2013
2004/05-1	343,873.90	2,347.43	0.68%	4,340	107	05/07/2013
2004/05-2	343,873.90	2,331.32	0.68%	4,340	106	05/07/2013
2005/06-1	323,238.01	6,374.27	1.97%	5,189	163	05/07/2013
2005/06-2	323,238.01	6,374.27	1.97%	5,189	163	05/07/2013
2007/08-1	343,438.61	1,642.96	0.48%	7,241	68	05/07/2013
2007/08-2	343,438.61	1,802.05	0.52%	7,241	70	05/07/2013
2008/09-1	337,796.81	769.32	0.23%	7,728	44	05/07/2013
2008/09-2	337,796.81	974.75	0.29%	7,728	49	05/07/2013
2009/10-1	350,884.90	4,690.24	1.34%	8,625	293	05/07/2013
2009/10-2	350,884.90	5,443.47	1.55%	8,625	317	05/07/2013
2010/11-1	361,230.54	3,877.00	1.07%	9,209	178	05/07/2013
2010/11-2	361,230.54	4,525.52	1.25%	9,209	196	05/07/2013
2011/12-1	389,785.53	6,048.33	1.55%	9,265	278	05/07/2013
2011/12-2	389,785.53	6,680.42	1.71%	9,265	297	05/07/2013
2012/13-1	389,833.86	16,204.63	4.16%	9,268	774	05/07/2013
2012/13-2	389,833.86	23,883.98	6.13%	9,268	1,101	05/07/2013
TOTAL	\$6,230,089.22	\$95,693.28	1.54%			

City of South Lake Tahoe Community Facilities District No. 1995-1 SPECIAL TAX RATES

SPECIAL TAX SPREAD

Maximum Annual Special Tax Rates and Special Tax Rates applied in Fiscal Year 2013/14 are listed below.

Special Tax Calculation	Facilities \$43.00 per Interval	Services \$1.50 per Interval	Service \$5.34 per Interval	Total Special Tax
Every Year Intervals	3,357	3,357	3,357	\$177,878.96
Every Other Year Intervals	3,398	3,398	3,398	\$84,678.16
Totals	6,755	6,755	6,755	\$262,557.12

*One interval is equal to one week of time share ownership. Every other year intervals are levied at half the interval rate. ** Included in the above table are also time share owners who own 5 weeks per year and therefore are levied at 5 times the interval rate in each category. The total levy amounts are rounded to the nearest penny.

The table below is a comparison of Fiscal Year 2013/14 parcel count above with Fiscal Year 2012/13.

Special Tax Calculation	2013/14	2012/13
Every Year Intervals	3,557	3,557
Every Other Year Intervals	3,398	3,398
Totals	6,755	6,755

City of South Lake Tahoe
Community Facilities District No. 2001-1
(Park Avenue Project)
SPECIAL TAX RATES

SPECIAL TAX SPREAD

Maximum Annual Special Tax Rates and Special Tax Rates applied in Fiscal Year 2013/14 are listed below:

Land Use Category	Total Basis	Non-Contingent Special Tax Rate	Revenue Neutrality Special Tax Rate	Total Special Tax**
Zone A Ownership Unit	10,348 Intervals	\$17.78 per interval*	\$3.91 per interval*	\$224,456.92
Zone B Ownership Unit	13,676	\$14.32 per interval*	\$17.90 per interval*	440,650.84
Commercial-Zone A	135,332.50 Square feet	\$0.64 per Square Foot of leasable area	\$0.19 per Square Foot of leasable area	112,326.00
Gondola	1 Parcel	\$121,440 per parcel	\$27,000 per parcel	148,440.00
Totals				\$925,874.76

*One interval is equal to one week of time share ownership.

** The total levy amounts are rounded to the nearest penny.

The table summarized the change of Fiscal Year 2013/14 Total Special Tax as compared to the Fiscal Year 2012/13 Total Special Tax.

2013/14 Total Special Tax	2012/13 Total Special Tax	Percent Change From FY 2012/13
\$925,874.76	\$924,983.43	0.10%

** The total levy amounts are rounded to the nearest penny.

City of South Lake Tahoe

2013/14 Budget Worksheet Community Facilities District No. 1995-1

Fund Number 20361

Levy Components	2012/13	2013/14
PRINCIPAL AND INTEREST		
Facilities and Services	\$241,113.93	\$239,082.04
TOTAL	\$241,113.93	\$239,082.04
ADMINISTRATION COSTS		
Agency Administration	\$0.00	\$0.00
Finance Manager	500.00	0.00
Accounting Staff	1,500.00	2,500.00
Engineering Staff	0.00	0.00
City Manager Staff	0.00	0.00
Other Staff	0.00	0.00
Agency Auditor Fees	0.00	0.00
Attorney Fees	0.00	0.00
Office Expenses, Paid by Agency	0.00	0.00
Other Expenses, Paid by Agency	0.00	0.00
Total Agency Staff and Expenses	\$2,000.00	\$2,500.00
County Auditor and Assessor Fees	2,026.50	2,026.50
Registrar/Transfer/Paying Agent Fees	0.00	0.00
Consulting Services	6,782.41	6,948.58
Consulting Expenses	0.00	0.00
Delinquency Management Allowance	0.00	0.00
TOTAL	\$10,808.91	\$11,475.08
Total Principal, Interest and Admin Costs	\$251,922.84	\$250,557.12
ADJUSTMENTS APPLIED TO LEVY		
Reserve Fund Credit	\$0.00	\$0.00
Special Tax Fund Credit	0.00	0.00
Replenishment/(Credit)	0.00	0.00
Capitalized Interest Credit	0.00	0.00
Delinquency Reserve	10,000.00	12,000.00
Miscellaneous/Adjustment Credit	0.00	0.00
TOTAL	\$10,000.00	\$12,000.00
TOTAL CHARGE		
Total Charge	\$261,922.84	\$262,557.12
Applied Charge	\$261,787.74	\$262,557.12
Difference (due to rounding)	\$135.10	\$0.00
ADDITIONAL INFORMATION		
Number of Parcels Levied	6,755	6,755
Facilities Special Tax Rate	\$43.00	\$43.00
Part 1 Basic Services Special Tax	\$1.50	\$1.50
Part 2 Basic Services Special Tax	\$5.21	\$5.34
CPI (for FY 13/14 Levy)	2.64%	2.56%
Part 2 Basic Services Special Tax (Current Year)	\$5.21	\$5.34
Admin Costs as a percent of Annual Levy	4.13%	4.37%

City of South Lake Tahoe		
2013/14 Budget Worksheet Community Facilities District No. 2001-1 (Park Avenue Project) Fund Number 20365		
Levy Components	2012/13	2013/14
PRINCIPAL AND INTEREST		
Principal	\$225,000.00	\$235,000.00
Interest	\$319,560.00	\$309,997.50
TOTAL	\$544,560.00	\$544,997.50
ADMINISTRATION COSTS		
Agency Administration	\$0.00	\$0.00
Finance Manager	10,000.00	0.00
Accounting Staff	15,000.00	25,000.00
Engineering Staff	0.00	0.00
City Manager Staff	0.00	0.00
Other Staff	0.00	0.00
Agency Auditor Fees	2,867.00	3,000.00
Attorney Fees	0.00	0.00
Other Expenses, Paid by Agency	2,000.00	0.00
Total Agency Staff and Expenses	\$29,867.00	\$28,000.00
County Auditor and Assessor Fees	2,780.40	2,780.40
Trustee Fees	4,985.00	2,500.00
Consulting Services	15,460.56	15,839.35
Arbitrage/Disclosure Services	2,000.00	2,000.00
Delinquency Management Allowance	0.00	0.00
TOTAL	\$55,092.96	\$51,119.75
Total Principal, Interest and Admin Costs	\$599,652.96	\$596,117.25
ADJUSTMENTS APPLIED TO LEVY		
Reserve Fund Credit	\$0.00	\$0.00
Special Tax Fund Credit	0.00	0.00
Replenishment/(Credit)	0.00	0.00
Capitalized Interest Credit	0.00	0.00
South Tahoe Joint Powers Parking Fin. Auth.	271,176.28	283,979.37
Delinquency Reserve	27,571.00	32,000.00
Miscellaneous/Adjustment Credit	0.00	0.00
TOTAL	\$298,747.28	\$315,979.37
TOTAL CHARGE		
Total Charge	\$898,400.24	\$912,096.62
Applied Charge	\$779,667.72	\$860,190.10
Difference (due to rounding)	\$118,732.52	\$51,906.52
ADDITIONAL INFORMATION		
Number of Active Parcels	9,268	11,149
Number of Parcels Levied	9,268	11,102
Total Zone B	\$140,429.17	\$173,587.96
Zone A Ownership Units	9,452.00	9,753.00
Final Non-Contingent Special Tax (Zone A)	\$17.78	\$17.78
Final Non-Contingent Special Tax (Zone B)	\$14.32	\$14.32
Non-Contingent Special Tax (Zone A)	\$17.78	\$17.78
Non-Contingent Special Tax (Zone B)	\$14.42	\$14.42
Gondola	\$121,440.00	\$121,440.00
Commercial	\$0.64	\$0.64
Revenue Neutrality Special Tax (Zone A)	\$3.91	\$3.91
Revenue Neutrality Special Tax (Zone B)	\$17.90	\$17.90
Revenue Neutrality Special Tax (Gondola)	\$27,000.00	\$27,000.00
Revenue Neutrality Special Tax (Zone A Commercial)	\$0.19	\$0.19
Actual DM Fees	\$2,822.33	\$0.00
Admin Costs as a percent of Annual Levy	7.41%	5.94%