

RESOLUTION NO. 116-2003

Adopted July 8, 2003

ANNEXATION NO. 3 OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH), AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On May 13, 2003, the Redevelopment Agency of the City and County of San Francisco ("Agency") adopted Resolution No. 68-2003 (the "Resolution of Intention") stating its intention to annex the territory to the Agency's Community Facilities District No. 1 (South Beach) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act").
2. A copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory to be annexed to the CFD and stating the facilities to be provided and the rate and method of apportionment of the special tax to be levied within the CFD to pay for public services for the CFD (the "Services"), is on file with the Secretary of the Agency and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein.
3. The Agency has held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory to the CFD.
4. At the hearing, all interested persons desiring to be heard on the annexation of territory to the CFD and the levy of the special taxes within the area proposed to be annexed were heard. A full and fair hearing was held.
5. Annexation Map No. 3 to the CFD, has been filed with the Recorder of the City and County of San Francisco. The map shows the territory to be annexed in these proceedings, and a copy thereof is on file with the Agency Secretary.
6. The Agency now wishes to authorize the levy of a special tax and submit the levy of the special tax to the qualified electors.

RESOLUTION

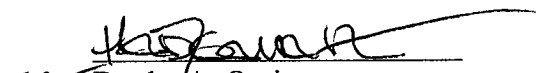
ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco as follows:

1. All prior proceedings taken by this Agency with respect to the CFD and the proposed second annexation of territory to the CFD have been duly considered and are valid and in conformity with the Act. The CFD has been validly established pursuant to the Act.
2. The provisions of the Resolution of Intention are fully incorporated herein, as if fully set forth herein.
3. The description and map of the boundaries of the territory to be annexed to Community Facilities District No. 1 (South Beach) (the "CFD"), as described in said Annexation Map No. 3 to the Community Facilities District No. 1 (South Beach) on file with the Agency Secretary and recorded in the City and County of San Francisco Recorder's Office in Book AA of Maps of Assessment and Community Facilities Districts at Page 81, are approved and shall be included within the boundaries of the CFD. The territory is hereby annexed to the CFD, subject to voter approval of the levy of the special taxes in the territory annexed.
4. The public services to be financed by the CFD, the office responsible for preparing a current tax roll of special tax levy obligations by Assessor's Parcel Number and responsible for estimating future special tax levies, and the rate and method of appointment of the special taxes for the CFD, including the territory annexed thereto, are as described in the Resolution of the Formation of the CFD No. 1, adopted August 30, 1988 by Resolution No. 186-88.
5. Prior to the time fixed for the hearing, fewer than 50% of registered voters residing in the existing CFD, registered voters residing in the territory proposed to be annexed to the CFD, owners of land in the existing CFD or, owners of the area of land in the territory proposed to be annexed to the CFD, had filed written protests against the proposed annexation of territory to the CFD.
6. The proposition to levy the special tax within the territory to be annexed to the CFD to pay for public services shall be submitted to the qualified electors of the area to be annexed to the CFD at an election called for that purpose as provided below, pursuant to state law.
7. The Agency finds that fewer than 12 persons have been registered to vote within the territory proposed to be annexed to the CFD for each of the 90 days preceding the close of the hearing conducted and concluded by the Agency for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326, the Agency that for the purposes of these proceedings the qualified electors are the landowners within the territory proposed to be annexed to the CFD and that the vote will be by the landowners, each having one vote for

each acre or portion that such landowner owns in the territory proposed to be annexed to the CFD.

8. The Agency further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days to elapse before said election is for the protection of the voters, and that the voters have waived such requirement and the date for the election stated above is established accordingly.
9. The election shall be conducted by mail ballot under Section 4000 of the California Elections Code and the Agency determines that paragraphs (a), (b), and (c)(1), of Elections Code Section 4000 are applicable to this election.
10. A special election to consider the annexation of territory to the CFD is hereby called by the Agency. The election shall be held on July 8, 2003. The Agency Secretary is hereby appointed as the election official to conduct the election. The ballot measure shall be in the form of Exhibit A hereto, which form is hereby approved.
11. The Agency Secretary shall accept the ballots of the qualified electors received in the Secretary's Office prior to 5 o'clock p.m. on July 8, 2003, whether received by mail or by personal delivery. The Secretary shall have available ballots which may be marked in his office on the election day by the qualified electors.
12. The Agency hereby directs the Agency Secretary to take all actions necessary under Government Code and the Elections code, to conduct the election.
13. The Agency Secretary shall mail or cause to be mailed to each of the qualified electors of the territory annexed to the CFD a ballot in the form set forth in Exhibit "A" hereto. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have a return postage prepaid, and contain the following: (a) the name and address of the registered voter, (b) a declaration, under penalty of perjury, stating that the voter is the qualified elector entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of the signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the Agency Secretary. Arguments and rebuttals, if any, shall also be included with the ballot materials, as required by the Election Code and Section 53327 (a) of the Government Code.

APPROVED AS TO FORM:


Bertha A. Ontiveros
Agency General Counsel

REDEVELOPMENT AGENCY OF THE AGENCY AND COUNTY OF SAN FRANCISCO

Community Facilities District No. 1
(South Beach)

Annexation No. 3

OFFICIAL BALLOT
SPECIAL TAX ANNEXATION ELECTION

This ballot is for the special landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Agency Secretary of the Redevelopment Agency of the City and County of San Francisco no later than 5:00 o'clock p.m. on Tuesday, July 8, 2003, either by mail or in person. The Agency Secretary's office is located at 770 Golden Gate Ave., San Francisco, California, 94102.

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

If you wrongly mark, tear, or deface this ballot, return it to the Agency Secretary of the Redevelopment Agency of the City and County of San Francisco and obtain another.

BALLOT MEASURE: Shall the Redevelopment Agency of the City and County of San Francisco, by and for its Community Facilities District No. 1 (South Beach) (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 68-2003 of the Redevelopment Agency of the City and County of San Francisco, adopted by the Agency on May 13, 2003 to pay for public services as defined therein?

YES:

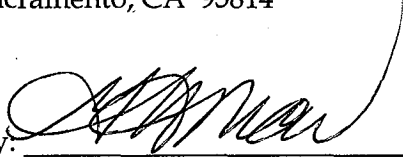
NO:

By execution in the space provided below, you also confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 5327(b) of the California Government Code.

Number of Votes: 3
Property Owner: LNR-LENNAR BRANNAN STREET, LLC, a California Limited Liability Corporation

By: Lennar Southland I, Inc., a California
Corporation
Its: Managing Member
Address: Lennar Communities
3130 Crow Canyon Place, Suite 310
San Ramon, CA 94583
Attn: Greg McWilliams, President

With copy to:
Suheil Totah, Esq.
Morrison & Foerster, LLP
400 Capitol Mall, Suite 2600
Sacramento, CA 95814

By: 
Name: Greg McWilliams
Title: Vice President