

Annual Disclosure Report for Fiscal Year 2010-11

Community Facilities District No. 03-1
(Newport Road)
Special Tax Bonds, Series 2004

Prepared for



March 2011

ALBERT A.
WEBB
ASSOCIATES

Community Facilities District 03-1

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CUSIP Numbers

Year	CUSIP	Year	CUSIP
2011	76911FLV4	2017	76911FMB7
2012	76911FLW2	2018	76911FMC5
2013	76911FLX0	2019	76911FMD3
2014	76911FLY8	2024	76911FME1
2015	76911FLZ5	2030	76911FMF8
2016	76911FMA9		

The information herein for Community Facilities District No. 03-1 of the County of Riverside, (the "District" or "CFD 03-1") was prepared by Albert A. Webb Associates and the Riverside County Executive Office, as Administrators. Except as otherwise noted all information is current as of September 30, 2010.

Information can be found at website: www.webbassociates.com

Community Facilities District No. 03-1 (Newport Road)

Project Description

The District was formed to fund the acquisition and construction of facilities including Newport Road as a six lane urban arterial with raised center median from Menifee Road to Winchester Road (State Highway 79) with required drainage appurtenances and connectors to existing streets. All of the public facilities funded have been accepted/dedicated by the appropriate public agency.

Location

The District is irregular in shape and consists of low mountains to rolling hills and level farm land. The district is generally located in the Menifee/ Winchester Valley area, in an unincorporated portion of south Riverside County about 35 miles southeast of the City of Riverside and 65 miles north of San Diego, west of the City of Hemet and north of the cities of Murrieta and Temecula.

CUSIP # 76911FPB4 through 76911FPQ1

n Series 2004 Bonds

Series 2004 Bonds in the amount of \$20,000,000, with interest rates ranging from 2.10% to 6.00% were issued August 24 2004, to finance the public facilities funded by the District. Interest on the Bonds is payable semi-annually on March 1 and September 1. The date for the final maturity of Bonds is September 1, 2030. The amount of Series 2004 Bonds Outstanding as of September 30, 2010 is \$17,240,000.

There are no remaining unissued Bonds authorized for the District.

A special tax is levied each year to pay the principal and interest obligations on the Bonds of the District. The amount levied each year is determined by the special tax formula and can vary from year to year, but shall not exceed the maximum authorized (or permitted) special tax rates. The amount levied for the 2010-2011 tax year was \$1,715,486.82.

The special tax rates applied for the 2010-2011 tax year are:

Table 2-1
Special Tax Levy

Land Use Category	Description	Parcel/Acre	Assigned Tax Rate	FY 2010-2011 Amount Levied per Category	No of Parcels
Developed 1	Single Family Property	Parcel	\$232.00	\$232.00	1,351
Developed 2	Multi-family Property	Acre	\$928.00	\$0.00	0
Developed 3	Non-Residential Property	Acre	\$928.00	\$0.00	0
IA	Initial Taxable Property	Initial Taxable Acre	\$928.00	\$705.00	35
UP	Undeveloped Property	Acre	\$928.00	\$705.00	74

The following tables present certain property ownership data and the development status of the District.

Table 3-1
Largest Property Owners Subject to Special Taxes
Fiscal Year 2010-2011

Owner Name	Parcels	Total Special Tax FY 2010-2011	% of Total Special Tax	Total AV ¹ FY 2010-2011	% of Total AV ¹
Centex Homes	414	\$191,770.46	11.18%	\$37,636,573	16.86%
Winchester 320	15	\$146,414.32	8.53%	\$1,684,192	0.75%
Sattler, Robert L	4	\$133,703.28	7.79%	\$351,480	0.16%
Garrett, Paul	6	\$115,620.08	6.74%	\$2,274,069	1.02%
San Pedro Farm	1	\$99,623.54	5.81%	\$1,561,200	0.70%
Rancon Winchester Valley 200	2	\$75,477.38	4.40%	\$817,465	0.37%
Woods Venture	139	\$73,642.48	4.29%	\$3,633,690	1.63%
Pim Bluecap Winchester	2	\$64,838.90	3.78%	\$2,166,000	0.97%
Winchester Meadows	61	\$57,151.90	3.33%	\$4,982,906	2.23%
Ranchos Prop Ltd & Rancon Real Estate Corp	1	\$50,745.90	2.96%	\$1,079,700	0.48%
Subtotal	645	\$1,008,988.24	58.81%	\$56,187,275	25.17%
All Others	815	\$706,498.58	41.19%	\$167,053,021	74.83%
Total	1,460	\$1,715,486.82	100.00%	\$223,240,296	100.00%

Table 3-2
Property Breakdown by Development Status

Development Status ²	Parcels	Total Special Tax FY 2010-2011	% of Total Special Tax	Total AV ¹ FY 2010-2011	% of Total AV ¹
Developed	653	\$158,540.24	9.24%	\$143,432,869	64.25%
All Others	807	\$1,556,946.58	90.76%	\$79,807,427	35.75%
Total	1,460	\$1,715,486.82	100.00%	\$223,240,296	100.00%

¹ Assessed Valuation (AV) is based on information provided in the Riverside County Assessor's records for Fiscal Year 2010-2011 and may or may not accurately reflect true market value.

² "Developed" is defined as any parcel that has an assessed value for Improvements and which is classified as non-vacant by the Riverside County Tax Assessors Office.

Table 3-3
Value-to-Lien Ratio Based on Assessed Values

Value-to-Lien	Parcels	% of Total Parcels	Principal Amount of Bonds Outstanding ³	% of Total Bonds Outstanding
Less than 1:1	23	1.58%	\$3,052,952.60	17.71%
Between 1 – 1.99:1	21	1.43%	\$3,277,514.70	19.00%
Between 2 – 2.99:1	22	1.51%	\$4,385,395.26	25.44%
Between 3 – 3.99:1	156	10.68%	\$1,723,165.26	10.00%
Between 4 – 4.99:1	129	8.84%	\$317,073.52	1.84%
Between 5 – 5.99:1	58	3.97%	\$135,227.76	0.78%
Between 6 – 9.99:1	16	1.10%	\$889,023.63	5.16%
Between 10 – 14.99:1	0	0.00%	\$0.00	0.00%
Between 15 – 19.99:1	2	0.14%	\$105,566.29	0.61%
Greater than 20:1	1,033	70.75%	\$3,354,080.98	19.46%
Total	1,460	100.00%	\$17,240,000.00	100.00%

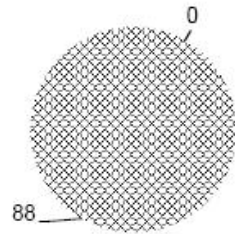
³ Principal Amount of Bonds Outstanding is calculated in proportion to the Assigned Special Tax for FY 2010-2011.

COMMUNITY FACILITIES DISTRICT NO.03-1 NEWPORT ROAD

OVERVIEW OF DEVELOPMENT STATUS AND ABSORPTION

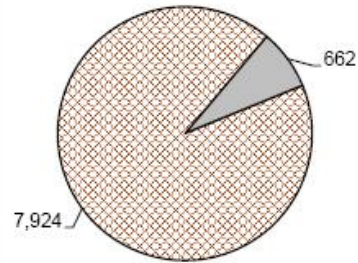
(Definition of Absorption = Built and Occupied)

DEVELOPMENT STATUS OF COMMERCIAL-INDUSTRIAL PROPERTY



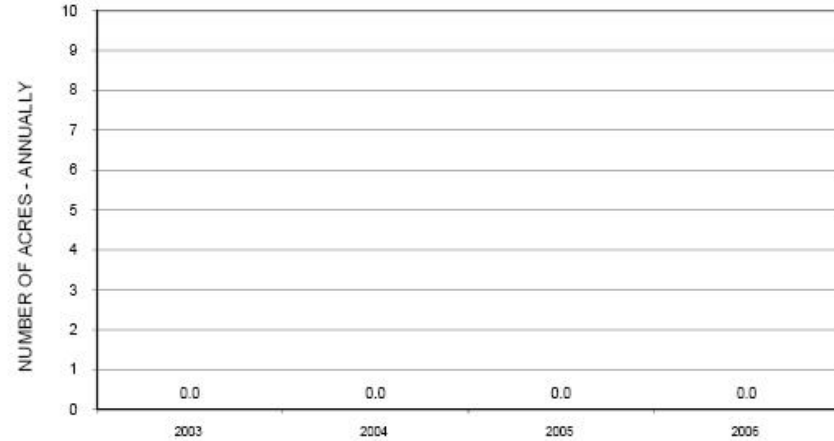
Sold: Sept. 1, 2010
 Future: Sept. 1, 2010+

DEVELOPMENT STATUS OF RESIDENTIAL PROPERTY

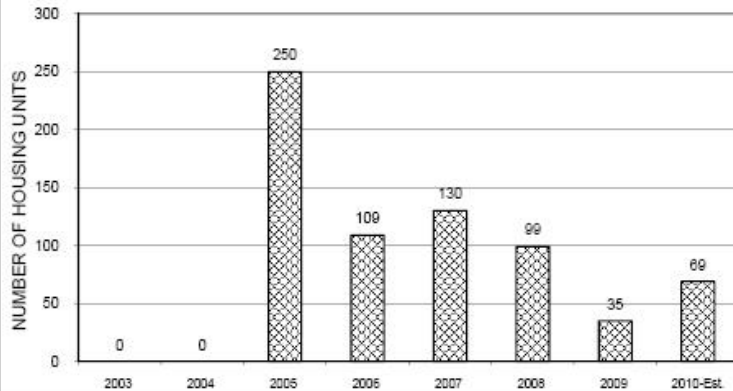


Sold: Sept. 1, 2010
 Future: Sept. 1, 2010+

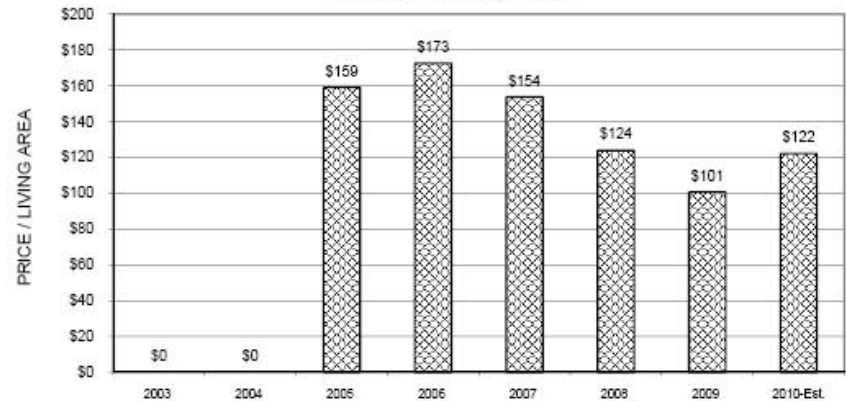
ABSORPTION OF COMMERCIAL-INDUSTRIAL PROPERTY



ABSORPTION OF RESIDENTIAL UNITS



HOUSING PRICE PATTERNS
Value Ratio: Price/Living Area



The following table summarizes the number of delinquent parcels, the amount delinquent and delinquency charges for each tax year. Delinquencies and delinquency charges are calculated through September 30, 2010.

Table 5-1
Special Tax Delinquency Summary

Tax Year	Special Tax Levied	Delinquent Special Tax Amount	Delinquency Charges ⁴	Amount Due ⁵	Number Delinquent Parcels	Delinquent % of Levy
2009-10	\$1,695,934.72	\$54,845.90	\$7,952.66	\$62,798.56	32	3.23%
2008-09	\$1,696,132.18	\$1,044.00	\$339.30	\$1,383.30	6	0.06%
2007-08	\$1,551,004.18	\$116.00	\$58.58	\$174.58	1	0.01%
2006-07	\$1,656,874.56	\$0.00	\$0.00	\$0.00	0	0.00%
2005-06	\$1,715,805.60	\$0.00	\$0.00	0.00	0	0.00%
2004-05	\$1,581,031.00	\$0.00	\$0.00	0.00	0	0.00%
Totals	\$9,896,782.24	\$56,005.90	\$8,350.54	\$64,356.44	33	0.57%

The following table identifies the property owners that represent more than 5% of the annual Special Tax levy who are delinquent in payment of Special Taxes including the number of delinquent parcels, the amount delinquent and delinquency charges for each tax year. Delinquencies and delinquency charges are calculated through September 30, 2010.

Table 5-2
Largest Property Owners with Delinquent Special Taxes

Owner Name	Tax Year	Parcels	Delinquent Special Tax Amount	Delinquency Charges ⁴	Amount Due ⁵	Delinquent % of Tax Year Levy
Garrett, Paul	2009-10	2	\$36,511.94	\$5,294.23	\$41,806.17	2.47%

n Funds Available for the Payment of Scheduled Debt Service

The March 1, 2010 debt service payment was \$500,551.25, interest only. On September 1, an additional payment of \$995,551.25 will be due for a total annual debt service of \$1,496,102.50. The balance in the Special Tax Fund is \$864,789.54. This funding source added to the current year's levy of \$1,715,486.82 is expected to generate sufficient revenue to cover the full year's debt service, without impacting the Reserve Fund.

⁴ These charges include a 10% penalty on each past due installment and 1.5% per month "redemption penalty" (or "interest") on the original delinquent amount, which begins to accrue July 1 of the tax year following the delinquency.

⁵ In addition to the amount due, parcels which have an existing foreclosure judgment recorded against them will include judicial foreclosure costs not included in this column.

n Foreclosure Covenant

The District covenants with and for the benefit of the Bond Owners of the Bonds that it will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$2,500 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently pursue to completion such foreclosure proceedings; provided, however, that, notwithstanding the foregoing, the District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorney's fees related to a Special Tax delinquency, if permitted by law. Notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceeding will far exceed the Special Tax delinquency and in such cases foreclosure proceeding may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost.

n Collection and Foreclosure Actions

The Mello-Roos Act provides that delinquent property may not be sold at a judicial foreclosure sale for less than the amount of the judgment plus past judgment interest and authorized costs without the consent of the owners of 75% by value of the Outstanding Bonds.

In the event of a failed sale, the property owner retains title to the Property. The judgment remains, however, and will be updated from time to time. When the CFD believes that there is a reasonable possibility that the foreclosure sale might be a successful sale, the property can be renoticed for sale. In the event a buyer comes forward prior to that time with a bona fide offer at a price below the current requirements of the law, the County will evaluate the possibility of taking that offer to the bondholders for approval.

The law firm of Sherman & Feller initiated foreclosure proceedings and has provided information regarding the following foreclosure actions in the District.

Riverside County CFD 03-1 v. Simpson 49

- * APN's: 462050001-2 & 462050002-3
- * Tax Years: 2008-2009 and 2009-2010 (Second Installment)
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Notice of Intent to remove delinquencies from the tax rolls recorded 10/13/10
- * Tax Years 2008-2009 Redeemed on 3/5/2010
- * Tax Years 2009-2010 Redeemed on 9/28/2010

Riverside County CFD 03-1 v. Winchester 320

- * APN's: 466340016-0 & 466340017-1
- * Tax Years: 2008-2009 and 2009-2010
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Notice of Intent to remove delinquencies from the tax rolls recorded 10/13/10
- * Redeemed on 8/20/2010

Riverside County CFD 03-1 v. Beeler 64

- * APN's: 462060006-8, 462060012-3, 462060013-4, 462060015-6, 462060016-7 & 462060017-8
- * Tax Years: 2008-2009 and 2009-2010 (Second Installment)
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Notice of Intent to remove delinquencies from the tax rolls recorded 10/13/10
- * Tax Years 2008-2009 Redeemed on 3/5/2010
- * Tax Years 2009-2010 Redeemed on 9/28/2010

Riverside County CFD 03-1 v. Paul Garrett

- * APN's: 461220003-2, 461220004-3, 461220005-4, 461220007-6, 461220010-8 & 461220011-9
- * Tax Years: 2008-2009 and 2009-2010
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Notice of Intent to remove delinquencies from the tax rolls recorded 10/13/10
- * Tax Years 2008-2009 Redeemed on 9/14/2010
- * Tax Years 2009-2010 Redeemed on 1/6/2011

Riverside County CFD 03-1 v. Winchester Crossroads 15

- * APN's: 461210019-6
- * Tax Years: 2008-2009
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Redeemed on 9/14/2010

Riverside County CFD 03-1 v. Community Park 124

- * APN's: 461280026-9
- * Tax Years: 2008-2009
- * Notice of Intent to remove delinquencies from the tax rolls recorded 11/9/09
- * Redeemed on 3/5/2010

Riverside County CFD 03-1 v. WR Marketplace

- * APN's: 461190082-1
- * Tax Years: 2009-2010
- * Notice of Intent to remove delinquencies from the tax rolls recorded 10/13/10
- * Redeemed on 1/16/2011

Table 6-1
Investment Portfolio as of September 30, 2010⁶

Account Name	Security	Coupon Rate	Maturity Date	Book Value	Market Value	Ratings
Special Tax Fund	Wells Fargo Adv Hert MMkt	0.00%	10/1/2010	\$864,789.54	\$864,789.54	AAA/Aaa
Bond Fund	Wells Fargo Adv Hert MMkt	0.00%	10/1/2010	\$11,874.36	\$11,874.36	AAA/Aaa
Reserve Fund	Wells Fargo Adv Hert MMkt	0.00%	10/1/2010	\$1,496,102.50	\$1,496,102.50	AAA/Aaa
Admin. Exp. Fund	Wells Fargo Adv Hert MMkt	0.00%	10/1/2010	\$10,155.85	\$10,155.85	AAA/Aaa
Earnings Fund	Wells Fargo Adv Hert MMkt	0.00%	10/1/2010	\$48,810.56	\$48,810.56	AAA/Aaa
Totals				\$2,431,732.81	\$2,431,732.81	

n Special Tax Fund

The moneys deposited to the Special Tax Fund are transferred to the Administrative Expense Fund as requested. Transfers are then made from the Special Tax Fund to the Bond Fund on or prior to the last day of February and August so that the balance in the Bond Fund is sufficient to cover current interest and principal due. Investment earnings on all Funds and accounts are deposited in the Earnings Fund. When all principal and interest outstanding has been paid or provided for, moneys in the Bond Fund shall be transferred to the Special Tax Fund.

n Bond Reserve Funds

The Reserve Fund must be maintained at the Reserve Requirement which is defined, as of any date of calculation, as an amount equal to the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds, (b) 10% of the total original principal amount of the Bonds, or (c) 125% of average Annual Debt Service on the Outstanding Bonds. In the event that special tax revenue is insufficient to pay debt service, money may be transferred from this Fund to the appropriate account of the Bond Fund. The Reserve Fund will then be replenished by increasing the next year's special tax levy to the extent permitted by law. The balance in the Reserve Fund as of September 30, 2010 was \$1,496,102.50. The Reserve Requirement is \$1,494,322.50 as of September 30, 2010.

PLEASE NOTE: The Riverside County Fiscal Year 2009-10 Comprehensive Annual Financial Report (CAFR) is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.

⁶ Source: Bond Logistix LLC. All investments are in compliance with "authorized investments" as defined in the Fiscal Agent Agreement dated April 1, 1997, and in accordance with County of Riverside Land Secured Financing District Investment Policy B-19.

The following events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission are considered material by the District.

- | | |
|---|----------------|
| 1. Principal and interest payment delinquencies. | Not Applicable |
| 2. Non-payment related defaults. | Not Applicable |
| 3. Unscheduled draws on the Reserve Account reflecting financial difficulties. | Not Applicable |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties. | Not Applicable |
| 5. Substitution of credit or liquidity providers, or their failure to perform. | Not Applicable |
| 6. Adverse tax opinions or events affecting the tax-exempt status of the Security. | Not Applicable |
| 7. Modifications to rights of Security holders. | Not Applicable |
| 8. Contingent or unscheduled bond calls | Not Applicable |
| 9. Defeasances. | Not Applicable |
| 10. Release, substitution, or sale of property securing repayment of the Securities. | Not Applicable |
| 11. Rating changes. | Not Applicable |
| 12. Tender offers | Not Applicable |
| 13. Bankruptcy, insolvency, receivership or similar event of the obligated person | Not Applicable |
| 14. Merger, consolidation, or acquisition of the obligated person, if material | Not Applicable |
| 15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material | Not Applicable |

Notice for events described in Section 4a, subsections (8) and (9) of the Disclosure Certificate need not be given under this sub-section any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Fiscal Agent Agreement.

Material Events (12) through (15) have been added pursuant to amendments to the continuing disclosure services of the Municipal Securities Rulemaking Board Electronic Municipal Market Access ("EMMA") system by the Securities and Exchange Commission to Securities Exchange Act Rule 15c2-12 effective December 1, 2010.

Appendix A

Debt Service Schedule

A L B E R T A .

WEBB

A S S O C I A T E S

**DEBT SERVICE SCHEDULE
CURRENT**

**RIVERSIDE COUNTY
COMMUNITY FACILITIES DISTRICT 03-1 (NEWPORT ROAD)**

<i>Payment Date</i>	<i>Coupon</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>	<i>Call Premium</i>
3/1/2005			\$20,000,000.00	\$520,019.54	\$520,019.54		3.0000%
9/1/2005	2.1000%	\$450,000.00	\$19,550,000.00	\$537,951.25	\$987,951.25	\$1,507,970.79	3.0000%
3/1/2006			\$19,550,000.00	\$533,226.25	\$533,226.25		3.0000%
9/1/2006	3.0000%	\$435,000.00	\$19,115,000.00	\$533,226.25	\$968,226.25	\$1,501,452.50	3.0000%
3/1/2007			\$19,115,000.00	\$526,701.25	\$526,701.25		3.0000%
9/1/2007	3.5000%	\$445,000.00	\$18,670,000.00	\$526,701.25	\$971,701.25	\$1,498,402.50	3.0000%
3/1/2008			\$18,670,000.00	\$518,913.75	\$518,913.75		3.0000%
9/1/2008	3.7500%	\$460,000.00	\$18,210,000.00	\$518,913.75	\$978,913.75	\$1,497,827.50	3.0000%
3/1/2009			\$18,210,000.00	\$510,288.75	\$510,288.75		3.0000%
9/1/2009	4.1000%	\$475,000.00	\$17,735,000.00	\$510,288.75	\$985,288.75	\$1,495,577.50	3.0000%
3/1/2010			\$17,735,000.00	\$500,551.25	\$500,551.25		3.0000%
9/1/2010	4.4000%	\$495,000.00	\$17,240,000.00	\$500,551.25	\$995,551.25	\$1,496,102.50	3.0000%
3/1/2011			\$17,240,000.00	\$489,661.25	\$489,661.25		3.0000%
9/1/2011	4.5000%	\$515,000.00	\$16,725,000.00	\$489,661.25	\$1,004,661.25	\$1,494,322.50	3.0000%
3/1/2012			\$16,725,000.00	\$478,073.75	\$478,073.75		3.0000%
9/1/2012	4.8750%	\$535,000.00	\$16,190,000.00	\$478,073.75	\$1,013,073.75	\$1,491,147.50	2.0000%
3/1/2013			\$16,190,000.00	\$465,033.13	\$465,033.13		2.0000%
9/1/2013	5.0000%	\$560,000.00	\$15,630,000.00	\$465,033.13	\$1,025,033.13	\$1,490,066.26	1.0000%
3/1/2014			\$15,630,000.00	\$451,033.13	\$451,033.13		1.0000%
9/1/2014	5.0000%	\$585,000.00	\$15,045,000.00	\$451,033.13	\$1,036,033.13	\$1,487,066.26	0.0000%
3/1/2015			\$15,045,000.00	\$436,408.13	\$436,408.13		0.0000%
9/1/2015	5.1250%	\$615,000.00	\$14,430,000.00	\$436,408.13	\$1,051,408.13	\$1,487,816.26	0.0000%
3/1/2016			\$14,430,000.00	\$420,648.75	\$420,648.75		0.0000%
9/1/2016	5.2500%	\$645,000.00	\$13,785,000.00	\$420,648.75	\$1,065,648.75	\$1,486,297.50	0.0000%
3/1/2017			\$13,785,000.00	\$403,717.50	\$403,717.50		0.0000%
9/1/2017	5.3750%	\$680,000.00	\$13,105,000.00	\$403,717.50	\$1,083,717.50	\$1,487,435.00	0.0000%
3/1/2018			\$13,105,000.00	\$385,442.50	\$385,442.50		0.0000%
9/1/2018	5.5000%	\$715,000.00	\$12,390,000.00	\$385,442.50	\$1,100,442.50	\$1,485,885.00	0.0000%
3/1/2019			\$12,390,000.00	\$365,780.00	\$365,780.00		0.0000%
9/1/2019	5.6000%	\$750,000.00	\$11,640,000.00	\$365,780.00	\$1,115,780.00	\$1,481,560.00	0.0000%
3/1/2020			\$11,640,000.00	\$344,780.00	\$344,780.00		0.0000%
9/1/2020	5.8000%	\$790,000.00	\$10,850,000.00	\$344,780.00	\$1,134,780.00	\$1,479,560.00	0.0000%
3/1/2021			\$10,850,000.00	\$321,870.00	\$321,870.00		0.0000%
9/1/2021	5.8000%	\$835,000.00	\$10,015,000.00	\$321,870.00	\$1,156,870.00	\$1,478,740.00	0.0000%
3/1/2022			\$10,015,000.00	\$297,655.00	\$297,655.00		0.0000%
9/1/2022	5.8000%	\$880,000.00	\$9,135,000.00	\$297,655.00	\$1,177,655.00	\$1,475,310.00	0.0000%
3/1/2023			\$9,135,000.00	\$272,135.00	\$272,135.00		0.0000%
9/1/2023	5.8000%	\$930,000.00	\$8,205,000.00	\$272,135.00	\$1,202,135.00	\$1,474,270.00	0.0000%
3/1/2024			\$8,205,000.00	\$245,165.00	\$245,165.00		0.0000%
9/1/2024	5.8000%	\$985,000.00	\$7,220,000.00	\$245,165.00	\$1,230,165.00	\$1,475,330.00	0.0000%
3/1/2025			\$7,220,000.00	\$216,600.00	\$216,600.00		0.0000%
9/1/2025	6.0000%	\$1,040,000.00	\$6,180,000.00	\$216,600.00	\$1,256,600.00	\$1,473,200.00	0.0000%
3/1/2026			\$6,180,000.00	\$185,400.00	\$185,400.00		0.0000%
9/1/2026	6.0000%	\$1,100,000.00	\$5,080,000.00	\$185,400.00	\$1,285,400.00	\$1,470,800.00	0.0000%
3/1/2027			\$5,080,000.00	\$152,400.00	\$152,400.00		0.0000%
9/1/2027	6.0000%	\$1,165,000.00	\$3,915,000.00	\$152,400.00	\$1,317,400.00	\$1,469,800.00	0.0000%
3/1/2028			\$3,915,000.00	\$117,450.00	\$117,450.00		0.0000%
9/1/2028	6.0000%	\$1,230,000.00	\$2,685,000.00	\$117,450.00	\$1,347,450.00	\$1,464,900.00	0.0000%
3/1/2029			\$2,685,000.00	\$80,550.00	\$80,550.00		0.0000%
9/1/2029	6.0000%	\$1,305,000.00	\$1,380,000.00	\$80,550.00	\$1,385,550.00	\$1,466,100.00	0.0000%
3/1/2030			\$1,380,000.00	\$41,400.00	\$41,400.00		0.0000%

**DEBT SERVICE SCHEDULE
CURRENT**

**RIVERSIDE COUNTY
COMMUNITY FACILITIES DISTRICT 03-1 (NEWPORT ROAD)**

<i>Payment Date</i>	<i>Coupon</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>	<i>Call Premium</i>
9/1/2030	6.0000%	\$1,380,000.00	\$0.00	\$41,400.00	\$1,421,400.00	\$1,462,800.00	0.0000%
Totals		\$20,000,000.00		\$18,579,739.57	\$38,579,739.57	\$38,579,739.57	

Bond Issue Date 8/24/2004
Original Bond Principal \$20,000,000.00
Bond Calls

* Denotes Bond Calls

Appendix B

District Boundary Map

A L B E R T A .

WEBB

A S S O C I A T E S

PROPOSED BOUNDARIES COMMUNITY FACILITIES DISTRICT NO. 03-1 (NEWPORT ROAD) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 03-1 (NEWPORT ROAD), OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2003, BY RESOLUTION NO. _____

CLERK OF THE BOARD OF SUPERVISORS

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 2003

CLERK OF THE BOARD OF SUPERVISORS

RECORDED THIS _____ DAY OF _____, 2003, AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT, IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE _____ NO. _____

GARY L. ORSO, RIVERSIDE COUNTY ASSESSORS-CLERK-RECORDER

BY _____ DEPUTY

FILED IN THE OFFICE OF THE COUNTY SURVEYOR OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 2003

BY _____ COUNTY SURVEYOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

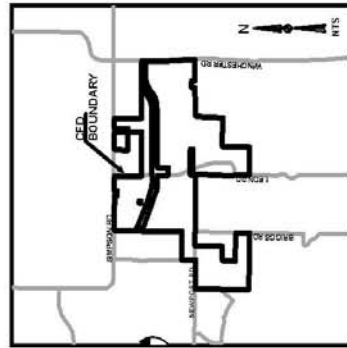


LEGEND

- BOUNDARY
- TOPO / GEO CHALLENGED AREAS



NOT TO SCALE



VICINITY MAP



