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APPROVED
BY THE CITY COUNCIL

OCT 31 1995

DEPARTMENT OF
PUBLIC WORKS

SPECIAL DISTRICTS
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY CLERK

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October 13, 1995

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: DEL PASO ROAD COMMUNITY FACILITIES DISTRICT (CFD) PUBLIC HEARING AND SPECIAL ELECTION ON SPECIAL TAX FORMULA MODIFICATION

LOCATION AND COUNCIL DISTRICT:

Properties within the Del Paso Road Community Facilities District (CFD) are located in the North Natomas Community Plan Area of Council District 1 (please see map marked Attachment A).

RECOMMENDATION:

This report recommends that the City Council take the following action:

First Action:

- Adopt Resolution of Consideration to Amend and Restate the Rate and Method of Apportionment of the Special Tax.

Second Action:

- Conduct the Public Hearing.
- Adopt Resolution Calling Special Mailed-Ballot Election.

Third Action:

- Conduct the Special Election
- Adopt Resolution Approving Change of Proceedings to Amend and Restate the Rate and Method of Apportionment of Special Tax (Also declaring election results).

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Del Paso Rd CFD Tax Formula Modification
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- Adopt Resolution Approving Issuance, Sale and Delivery by the Sacramento City Public Financing Authority of Series A and Series B Marks-Roos Special Tax Revenue Bonds.

This report recommends that the Financing Authority adopt the following:

- Resolution Approving Form and Substance of Bond Purchase Agreements, for Purchase of Series A and Series B of Marks-Roos Special Tax Revenue Bond, and Authorizing and Directing Related Actions and Execution of Related Documents.

CONTACT PERSON:

Lydia Lara, Deputy City Treasurer, 264-7746
Karen Shipley, Special Districts Analyst, 264-5236

FOR COUNCIL MEETING OF: October 31, 1995

SUMMARY:

This report presents modifications to the special tax formula as adopted by Council on August 29, 1995. A signed consent form by the property owners (Oates, Anderson and Cummings) is on file with the City Clerk signifying their approval of the proposed modifications.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The Del Paso Road CFD was formed by City Council and approved by a special election of the property owners on August 29, 1995. The purpose of the CFD is to refinance existing North Natomas Assessment District #88-03 bonds on parcels along Del Paso Road. The CFD includes the proposed 100-acre sports stadium site. The refinancing will remove the assessment on the stadium site so that the City can accept the property as a gift from the owners.

As part of the formation proceedings, a preliminary special tax formula was approved (Resolution of Formation #95-505). The formula was in part based on the structure for two series of bonds. As a result of final negotiations with the

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landowners on the bond structure, it is necessary to modify the tax formula to include two separate components of the special tax.

The modifications are necessary at this time to meet the tight schedule for advertising and selling bonds, and to allow for the stadium site gift prior to the end of the calendar year. A schedule of events is shown on Attachment B.

FINANCIAL CONSIDERATIONS:

All costs associated with the formation of this district are recoverable as part of the district costs. There is no impact to the General Fund.

ENVIRONMENTAL CONSIDERATION:

No environmental review is required because modifying the special tax formula for the CFD will not have any conceivable affect on the environment pursuant to CEQA Guidelines, Section 15061 (b)(3).

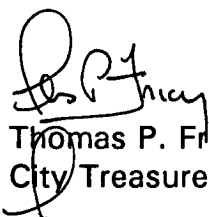
POLICY CONSIDERATIONS:

There are no new policy issues related to this item.

MBE/WBE:

Council adoption of the attached resolutions is not affected by City policy related to MBE/WBE.


Respectfully submitted,


Thomas P. Friery
City Treasurer

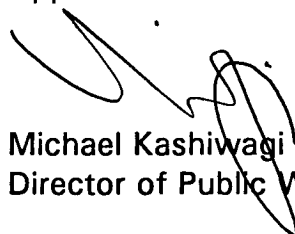
Respectfully submitted,


Gary Alm
Manager, Special Districts Division

RECOMMENDATION APPROVED:


WILLIAM H. EDGAR
City Manager

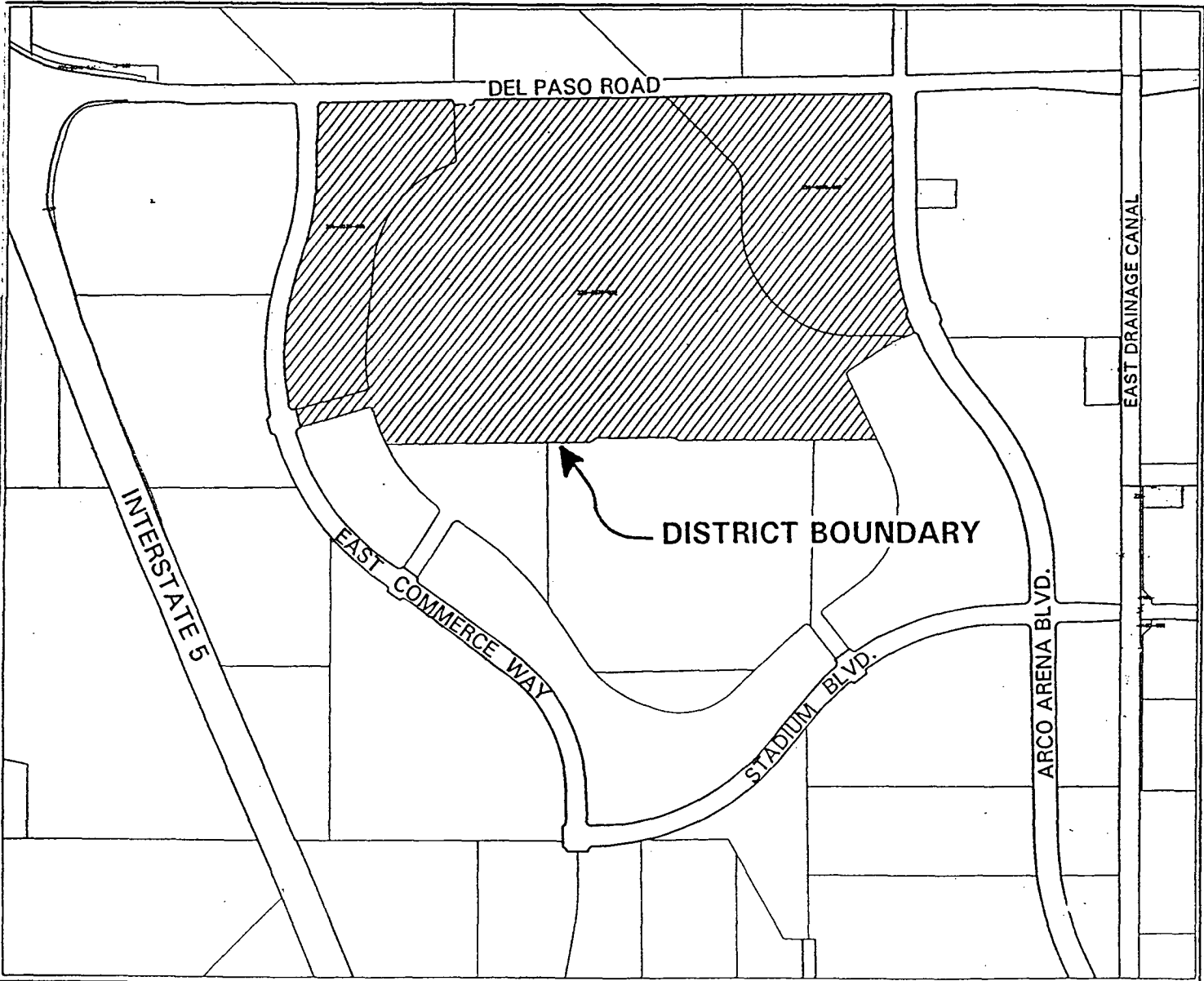
Approved:


Michael Kashiwagi
Director of Public Works, Technical Services

ATTACHMENT A

DEL PASO ROAD COMMUNITY FACILITIES DISTRICT NO. 95-02

LOCATION MAP



MAP COURTESY OF SACRAMENTO GEOGRAPHIC INFORMATION SYSTEM (GIS) BASE MAP MAINTENANCE SECTION - ENGINEERING DIVISION

ATTACHMENT B

DEL PASO ROAD CFD SCHEDULE OF EVENTS

- June 20, 1995 Council initiates CFD
- August 29, 1995 Council approves district formation
- September 5, 1995 Council adopts Ordinance Levying a Special Tax
- October 10, 1995 Council approves:
• Development Agreement
- October 17, 1995 Council approves:
• Drainage Agreement
• Final Map
- October 17, 1995 Final Map is recorded at County Recorder's Office

- | | |
|------------------|---|
| October 31, 1995 | Council action:
• Conducts Public Hearing and Special Election
• Adopts various resolutions |
|------------------|---|

- November 1, 1995 Preliminary Official Statement is sent to printer
- November 8, 1995 CFD bonds are sold
- December 5, 1995 CFD bond closing
- December 5, 1995 Council accepts gift of stadium site
- By Dec. 31, 1995 Title of stadium site is transferred to City

APPROVED
BY THE CITY COUNCIL

OCT 31 1995

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 95-611

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION OF CONSIDERATION TO ALTER THE RATE
AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)**

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

1. Reference is made to this Council's Resolution of Formation of Community Facilities District No. 95-02 (Resolution No. 95-505, adopted on August 29, 1995).

2. The boundaries of CFD No. 95-02 are shown on the Boundary Map approved by this Council's Resolution No. 95-359, dated June 20, 1995, and recorded on June 29, 1995, at Book 82 of the Book of Maps of Assessment and Community Facilities Districts, page 6, in the office of the County Recorder of Sacramento County.

3. The Council hereby determines, under the terms of the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act"), that the public convenience and necessity require the alteration of the rate and method of apportionment of special tax from that approved in the Resolution of Formation, Resolution No. 95-505, to that set forth as Exhibit A, attached hereto and by this reference incorporated herein.

4. No changes in the authorized bonded indebtedness, the authorized facilities, nor in the boundaries of CFD No. 95-02 are proposed.

5. This Council hereby approves the form of Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting Mailed-Ballot Election in Community Facilities District No. 95-02, City of Sacramento, County of Sacramento, State of California, attached to the Clerk's Certificate filed in these proceedings dated October 31, 1995. The Council finds that the rights, procedures and time periods therein waived are solely for the protection of the voters and that the waiver constitutes a full and knowing waiver, by any voter who has executed the form, of those rights, procedures and time periods.

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6. This Council hereby further approves the form of Waiver of Notice of Hearing, waiving the requirement for notification of hearing by mail and by publication, also attached to the Clerk's Certificate filed in these proceedings dated October 31, 1995. The Council hereby sets October 31, 1995, at 2:00 p.m., or as soon thereafter as the Council may reach the matter, in the chambers of the City Council of the City of Sacramento at 915 I Street, Sacramento, California, as the time and place for the public hearing on this matter. At the hearing the testimony of all interested persons or taxpayers for or against the proposed alterations in the rate and method of apportionment of the special tax will be heard. If written protests against the proposed change are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, CFD No. 95-02, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within CFD No. 95-02 (providing the protesters number at least six) or by the owners of a majority of the land area within CFD No. 95-02 which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed changes to be eliminated from this resolution, and prevent their being included in a subsequent resolution for at least one year.

7. If the proposed changes are submitted to the qualified electors within CFD No. 95-02, it is anticipated that the qualified electors will be the property owners within CFD No. 95-02 in accordance with Government Code Section 53328.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 31st day of October, 1995.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT A

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, SACRAMENTO COUNTY, CALIFORNIA

Amended and Restated
Rate and Method of Apportionment of Special Tax

I. DEFINITIONS:

"Annual Debt Service Requirement" means, as of each Parcel Tax Computation Date, the amount of principal and interest coming due on the Bonds (including both the Part A Component and the Part B Component) in the next succeeding Fiscal Year.

"Annual Expense Requirement" means, as of each Parcel Tax Computation Date, the amount estimated to be necessary for the next succeeding Fiscal Year to pay the authorized costs and expenses of administering CFD 95-02 and the Bonds, including without limitation the amounts reasonably estimated as necessary to compute, levy, collect, administer and enforce payment of the Special Taxes and the proceeds thereof, and to administer the Bonds and provide for payment of the Annual Debt Service Requirement on the Bonds (but not including the Annual Debt Services Requirement itself), to establish and administer a program of compliance with the continuing disclosure requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, and to pay for arbitrage and rebate tracking, calculation and reporting services.

"Back-up Tax" means the amount, if any, of each Special Tax to be computed in accordance with Part III below of this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Bonds" means, unless the context clearly demonstrates otherwise, the limited obligation special tax bonds to be authorized, issued, sold, delivered and administered in connection with CFD 95-02.

"CFD 95-02" means Community Facilities District No. 95-02 (Del Paso Road), City of Sacramento, Sacramento County, State of California.

"City" means the City of Sacramento, Sacramento County, California.

"Council" means the City Council of the City.

"Current Parcel" means any legal parcel for which all Special Taxes which are due and payable are paid prior to any applicable December 10 or April 10 delinquency date, but expressly excluding any legal parcel for which the Special Tax

Obligation has been prepaid and discharged as provided in Part V of this Rate and Method of Apportionment of Special Tax.

"Delinquent Parcel" means any legal parcel for which any Special Taxes which are due and payable are delinquent for non-payment by the prescribed December 10 or April 10 delinquency date.

"Delinquent Tax Amount" means the amount, if any, of previously-levied Special Taxes which, as of any Parcel Tax Computation Date, remain delinquent.

"Exempt Parcel" means any legal parcel which is exempt from the Special Tax.

"Fiscal Year" means the period from July 1st of any calendar year through June 30 of the following calendar year.

"Foreclosure Deed" means an instrument of conveyance of title issued to a winning bidder following a foreclosure sale or auction resulting from a judicial foreclosure on account of delinquent Special Taxes on any legal parcel in CFD 95-02, which instrument is issued by the court-appointed party who conducts the foreclosure sale or auction.

"Foreclosure Deeded Parcel" means any legal parcel in CFD 95-02 title to which has been conveyed by a Foreclosure Deed.

"Gross Area" means, as to any legal parcel subject to the Special Tax and not exempt therefrom, the gross area of such parcel expressed in acres (calculated to one one-thousandth of one acre), as determined on the Parcel Tax Computation Date.

"Improved Parcel" means any legal parcel for which an occupancy permit has been issued thereby causing application to such legal parcel of the Load Factor of 8.00 pursuant to paragraph (B.) (2.) of Part IV below of this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Load Factor" means the load factor assigned to any legal parcel subject to the Special Tax and not exempt therefrom as of each Parcel Tax Computation Date in accordance with the statement of the Method of Apportionment of Special Tax in Part IV below of this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Master Parcel Map" means the final master parcel map pertaining to the Property by which the Property will be initially divided into eleven (11) parcels in substantially the configurations shown in Attachment 2 to this Amended and Restated Rate and Method of Apportionment of Special Tax.

EXHIBIT A

"Parcel Tax Computation Date" means June 1 of each year, immediately preceding the commencement on July 1 of a Fiscal Year.

"Part A Component" means the portion of the Annual Debt Service Requirement which is equal to the amount of principal and interest coming due on the Series A Special Tax Revenue Bonds in the Fiscal Year to which such Annual Debt Service Requirement pertains.

"Part B Component" means the portion of the Annual Debt Service Requirement which is equal to the amount of principal and interest coming due on the Series B Special Tax Revenue Bonds in the Fiscal Year to which such Annual Debt Service Requirement pertains.

"Phase II Index" means, as to each legal parcel subject to the Special Tax and not exempt therefrom, the product of the Load Factor applicable for such parcel for the specific Fiscal Year times the Gross Area of such parcel as determined on the Parcel Tax Computation Date for such Fiscal Year.

"Property" means all legal parcels of real property within CFD 95-02 as of a Parcel Tax Computation Date which are subject to the Special Tax and not exempt therefrom.

"Series A Special Tax Revenue Bonds" means the special tax revenue bonds to be issued and delivered by the Sacramento City Financing Authority (the "Authority") concurrently with issuance and delivery to the Authority by the City of the Bonds and secured by a first and prior pledge of and claim upon the special tax revenue to be received by the Authority as holder of the Bonds.

"Series B Special Tax Revenue Bonds" means the special tax revenue bonds to be issued and delivered by the Authority concurrently with issuance and delivery to the Authority by the City of the Bonds and secured by a pledge of and claim upon that portion, if any, of the net special tax revenue to be received by the Authority as holder of the Bonds, after first paying all amounts due and owing with respect to the Series A Special Tax Revenue Bonds and all administrative expenses associated with administration of the Series A Special Tax Revenue Bonds, as more fully provided in the Trust Agreement pertaining to the Series A Special Tax Revenue Bonds (the "Series A Trust Agreement").

"Special Tax" means the special parcel tax, including the Back-up Tax, if any, that shall be levied on all legal parcels of the Property for any Fiscal Year, except for any legal parcel of the Property for which the Special Tax Obligation has been prepaid and discharged as provided in Part V of this Amended and Restated Rate and Method of Apportionment of Special Tax.

EXHIBIT A

"Special Tax Obligation" means the total obligation of a legal parcel of Property to pay the Special Tax for the remaining life of CFD 95-02.

"Special Tax Requirement" is the total amount to be determined and apportioned annually, either by the Council or, if so directed by the Council, by the City staff person designated by the Council to make such determination and apportionment, to the legal parcels in accordance with this Amended and Restated Rate and Method of Apportionment of Special Tax, to include the Annual Debt Service Requirement and the Annual Expense Requirement, and, if applicable, the Back-up Tax.

II. MAXIMUM ANNUAL SPECIAL TAX:

A. During Phase I, as defined in Part IV below, each legal parcel of the Property shall be subject to a maximum annual Special Tax, including the Back-up Tax, equal to \$750,000.00.

B. During Phase II, as defined in Part IV below, each legal parcel of the Property shall be subject to a maximum annual Special Tax, including the Back-up Tax, equal to \$18,000.00 per acre.

III. BACK-UP TAX:

Except for Foreclosure Deeded Parcels which are not Improved Parcels, each Current Parcel of the Property shall be subject to an additional tax (the "Back-up Tax"), without limitation as to amount, in each Fiscal Year, for such Current Parcel's proportionate share of the Delinquent Tax Amount for all prior Fiscal Years, provided that the total annual Special Tax to be levied upon any Current Parcel, including the applicable Back-up Tax, shall not exceed the maximum annual Special Tax specified for such parcel in accordance with Part II above. The proportionate shares of the Back-up Tax to be added to each Current Parcel shall be determined in the same proportion as the Special Tax (exclusive of such Back-up Tax portion) to be levied upon each Current Parcel for the coming Fiscal Year bears to the total Special Tax Requirement (exclusive of such Back-up Taxes) being levied upon such Current Parcels for such Fiscal Year.

Each Foreclosure Deeded Parcel which is not an Improved Parcel shall be exempted from the Back-up Tax.

It is expected that all delinquent taxes paid (whether through reinstatement or foreclosure) will be credited against the Special Taxes levied upon the parcels which paid Back-up Taxes in respect of such delinquencies in the next available Fiscal Year following receipt of such payment. The amount of credit shall be the amount of Back-up Tax paid. In the event that any such credit accrues to a legal parcel for which the Special Tax Obligation has been prepaid and discharged, an amount equal to such credit shall be disbursed as a cash payment to the

EXHIBIT A

current owner of such legal parcel, as shown on the last equalized tax assessment roll of the County of Sacramento or as known to the City Treasurer on the basis of a recorded instrument of conveyance furnished to the City Treasurer by the person claiming to be the current owner.

As soon as occupancy permits have been issued for nine or more legal parcels of the Property, but entailing a total area of not less than 70.0 acres, the authority to levy any further Back-up Tax under this Part III shall end and be of no further force or effect; provided that cessation of such authority for further Back-up Taxes shall not affect enforceability of any Back-up Tax levied prior thereto.

IV. METHOD OF APPORTIONMENT:

The Special Taxes shall be levied on each non-exempt legal parcel for each Fiscal Year by the Council under the authority of a Council ordinance, which may delegate to a member of the City staff designated by the Council for such purpose the authority to prepare and deliver to the County Auditor the annual Special Tax roll without further action by the Council, such Special Tax roll to be based upon the circumstances existing as of the Parcel Tax Computation Date for such Fiscal Year.

A. Phase I Procedure

Phase I shall be the period, if any, between sale and delivery of the Bonds and recording of the Master Parcel Map in the official records of the Sacramento County Recorder. On any Parcel Tax Computation Date, if any, during Phase I, the Special Tax Requirement shall be apportioned to the respective non-exempt legal parcels on the basis of the Gross Area of such legal parcels; provided that in the event any portion of the Property shall have been conveyed to the City by recorded gift deed, which gift shall have been accepted by the City in accordance with legal procedures applicable to acceptance of such gifts of real property for use for public purposes, then such portion of the Property shall be exempt from the Special Tax.

During Phase I, it is anticipated that the legal parcels will be three parcels, substantially as shown on Attachment I to this Rate and Method of Apportionment of Special Tax.

B. Phase II Procedure

1. Duration

Phase II shall be the period for any legal parcel of the Property not exempt from the Special Tax following recordation of the Master Parcel Map and continuing until either (1) the Bonds have been paid in full or defeased in accordance

EXHIBIT A

with the documents authorizing issuance of the Bonds and all Annual Expense Requirements have been paid or (2) the Special Tax Obligation has been prepaid and discharged as to any such legal parcel in accordance with Part V hereof.

2. Prior to Issuance of any Foreclosure Deed

Except as provided hereafter in paragraph (B.) (3.) of this Part IV, on any Parcel Tax Computation Date during Phase II, the Special Tax Requirement shall be apportioned to the respective non-exempt legal parcels on the basis of the respective Phase II Indices of such legal parcels. Upon the recording of the Master Parcel Map, Parcel 1 on the Master Parcel Map, the 100.336 Sport Complex parcel, shall thereafter be exempt from the Special Tax. The Load Factor applicable to each of the ten (10) legal parcels to be established by the Master Parcel Map and not exempt from the Special Tax shall be as follows:

<u>Parcel No.</u> <u>(Per Attachment 2)</u>	<u>Load Factor Prior</u> <u>to Occupancy Permit</u>	<u>Load Factor After</u> <u>Occupancy Permit</u>
2	4.91	8.00
3	4.91	8.00
4	6.79	8.00
5	5.47	8.00
6	5.47	8.00
7	5.47	8.00
8	5.47	8.00
9	5.47	8.00
10	3.00	8.00
11	2.00	8.00

In the event of a lot line adjustment, property line adjustment, or similar minor change to the configuration to any of such legal parcels which does not result in the creation of any new legal parcel, the Load Factor applicable to such changed parcel shall be the same as the Load Factor assigned to the changed parcel prior to the change in boundary or configuration.

In the event of establishment of one or more new legal parcels from any portion of such legal parcels, whether by recordation of a new parcel map, subdivision map or otherwise, the Load Factor assigned to each new parcel shall be the highest Load Factor which pertained to any parcel from which any portion of each such new parcel was derived.

EXHIBIT A

On each Parcel Tax Computation Date, the Phase II Index applicable to each parcel shall be calculated using the Load Factor applicable to such parcel, as determined in accordance with the foregoing table, and multiplying by the Gross Area of such parcel. The Special Tax Requirement shall then be apportioned among all non-exempt legal parcels in the proportion that the respective Phase II Indices bear to the total of such Phase II Indices for all of such parcels.

3. Following Issuance of any Foreclosure Deed

Following issuance of a Foreclosure Deed with respect to any legal parcel in CFD 95-02, the procedure for apportioning the Special Tax Requirement shall be the same as provided in the foregoing paragraph (B.)(2.) of this Part IV, except that each Foreclosure Deeded Parcel which is not an Improved Parcel shall be exempted from the Part B Component, and the Part B Component of the Special Tax Requirement for the subject Fiscal Year shall be distributed to all other legal parcels in proportion to their respective Phase II Indices, subject only to the maximum annual Special Tax.

V. PREPAYMENT OF SPECIAL TAX OBLIGATION:

The entire Special Tax Obligation for a legal parcel of Property may be prepaid and discharged as follows:

A. The parcel to be prepaid must not be delinquent in any payment of the Special Tax. Prepayment hereunder shall not relieve any obligation pertaining to any such legal parcel to pay those Special Taxes which have already become due and payable, and the Notice of Cancellation of Special Tax Lien shall not be recorded until those Special Taxes have been paid.

B. Any person wishing to obtain a determination, whether orally or in writing, of the amount required to prepay and discharge the Special Tax Obligation for a legal parcel of Property shall be required to deposit an amount equal to the reasonable cost to the City of preparing such determination prior to obtaining the same. Following receipt of such deposit, the amount required prepay and discharge the Special Tax Obligation shall be calculated in accordance with paragraphs (C.) through (H.) of this Part V.

C. The percentage of remaining principal amount of Bonds to be paid in a prepayment shall be determined by (1) calculating an imputed Phase II Index for the subject parcel which assumes a Load Factor of 8.00 (whether or not such 8.00 Load Factor is the then-applicable Load Factor for such parcel), (2) calculating the then applicable total of Phase II Indices for all legal parcels of the Property for which the Special Tax Obligation has not been prepaid (using the then-applicable Load Factors for all other such parcels), and (3) determining the percentage of such total

EXHIBIT A

of Phase II Indices represented by the imputed Phase II Index for the such parcel, expressed to four decimal points.

D. Having determined the percentage of remaining principal amount of Bonds to be paid in accordance with C. above, the amount of principal shall then be calculated by multiplying such percentage times the principal amount of Bonds outstanding (exclusive of the principal amount for which funds are already on deposit in the redemption fund for such Bonds) and rounding the result to the next higher even increment of \$5,000.

E. Having determined the amount of principal to be included in the prepayment in accordance with D. above, the interest to be prepaid shall be calculated at the average interest rate on the remaining outstanding bonds and shall be calculated in an amount sufficient to pay interest on the principal amount to the next available call date for the Bonds.

F. Next, an amount shall be calculated to provide for any prepayment premium which will be payable in connection with redemption of Bonds on the next available call date.

G. Next, an amount shall be calculated which represents the reasonable cost of the City to prepare and record an appropriate Notice of Cancellation of Special Tax Lien and to provide for the redemption of Bonds in advance of maturity in an amount corresponding to the amount of principal included in the prepayment.

H. Finally, credit shall be given on the principal amount of the prepayment on account of the initial cash deposit, if any, to the reserve fund for the Bonds. In the event the reserve fund is initially established on the basis of a letter of credit rather than cash, no credit shall be given on account of such reserve fund. In the event a credit is to be given, the credit shall equal that portion of the initial cash deposit to the reserve fund which bears the same ratio to the total initial cash deposit to the reserve fund as the principal amount being prepaid bears to the total outstanding principal amount of Bonds; provided that, in the event the credit so calculated exceeds the amount then on deposit in the reserve fund, the credit actually given shall be limited to the amount then on deposit, and a refund amount for the balance of such credit shall be established for the person who pays the prepayment amount, such refund to be paid out of the next-available funds deposited in the reserve fund in accordance with the documents pursuant to which the Bonds were issued. In the event that the reserve fund is established on the basis of assets other than a cash deposit, no reserve fund credit shall be given.

The proceeds of all pre-payments (for this purpose, not including any reinstatement amounts but including only prepayment of amounts not yet due and payable) shall be used, to the fullest extent possible, to redeem Bonds in advance of their maturity and

EXHIBIT A

not to pay any Bonds at maturity. Any remainder after the maximum amount of Bonds have been redeemed shall be deposited in the redemption fund for the Bonds.

VI. APPEALS AND INTERPRETATION PROCEDURE

Any taxpayer who feels that (1) the formula for computing a Special Tax or a prepayment amount or (2) the actual amount of the Special Tax or prepayment amount is in error may file an application with the City's Director of Public Works (the "Director"), contesting the levy of the Special Tax or the demand for the prepayment amount. The Director shall promptly review the application, and, if necessary, meet with the applicant. If the findings of the Director verify that the formula or amount should be modified or changed, a recommendation to that effect shall be made to the Council, and, as appropriate, the formula or amount of the Special Tax or prepayment shall be corrected and, if applicable, a refund shall be granted.

If the Director denies the application, the taxpayer may appeal that determination to the Council under such procedures as the Council shall establish. The determination of the Council 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 or to pay the prepayment amount as a condition precedent to the recording of a Notice of Cessation of Special Tax Lien respecting the applicable parcel.

Interpretations may be made by resolution adopted by the Council 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 of Special Tax.

EXHIBIT A

APPROVED
BY THE CITY COUNCIL

OCT 31 1995

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 95-612

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION CALLING SPECIAL MAILED-BALLOT ELECTION
IN COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)**

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

1. Reference is made to this Council's Resolution No. 95-__ (the "Resolution of Consideration"), adopted on October 31, 1995.
2. The alteration in the rate and method of apportionment of the special tax to that attached to the Resolution of Consideration as Exhibit A thereto shall be submitted to the voters pursuant to Government Code Section 53338(a).
3. The ballot language shall be as shown on the form of ballot attached hereto as Exhibit A, which form of ballot is hereby approved.
4. This Council hereby accepts the Certificate of Engineer heretofore filed in these proceedings and finds, in accordance therewith, that there presently are, or at some point in the 90 days just past there have been, fewer than 12 registered voters residing within CFD No. 95-02 in these proceedings. Accordingly, under Government Code Section 53326(b) and 53338(a), the voters in this election shall be the landowners owning land within CFD No. 95-02.
5. The Council further finds that the landowners of record owning property within CFD No. 95-02 are those set forth in the attachment to the Certificate of Engineer and that the attachment correctly sets forth the amount of property owned by each such landowner and the number of votes to which each is entitled.
6. This Council hereby approves the forms of Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting Mailed-Ballot Election in Community Facilities District No. 95-02, City of Sacramento, County of Sacramento,

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State of California, attached to the Clerk's Certificate in these proceedings dated October 31, 1995. The Council finds that the rights, procedures and time periods therein waived are solely for the protection of the voters and that the waiver constitutes a full and knowing waiver, by any voter who has executed the form, of those rights, procedures and time periods.

7. The Council accepts the City Clerk's Certificate that 100% of the voters eligible to vote in this election have delivered to the City Clerk properly executed waivers in the form approved.

8. Accordingly, this Council hereby calls the special election described herein and sets October 31, 1995 as election day. Pursuant to Government Code Section 53326(d), the election shall be conducted by mailed ballot.

9. The City Clerk is directed to deliver the ballots, in the form of Exhibit A hereto, to the four landowners shown on the attachment to the Certificate of Engineer. The City Clerk shall fill in the names of the landowners and the number of votes to be cast on the ballot, according to the Certificate of Engineer before delivery.

10. The City Clerk shall accept personal or mail delivery of the ballots at any time up to the close of the City Council meeting on October 31, 1995. Upon receipt of all eligible ballots, however, the City Clerk shall immediately close the election and declare the results to the City Council.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 31st day of October, 1995.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

APPROVED
BY THE CITY COUNCIL

OCT 31 1995

RESOLUTION NO. 95-613

OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION OF CHANGE FOR
COMMUNITY FACILITIES DISTRICT NO. NO. 95-02
(DEL PASO ROAD)

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

1. Reference is made to this Council's Resolution No. 95-____ ("Resolution of Consideration"), adopted on October 31, 1995, which sets a public hearing on the change proceedings for October 31, 1995. A waiver form signed by the four property owners within Community Facilities District No. 95-02 waiving notice of hearing by mail and by publication was approved by the City Council and is on file in the City Clerk's office.

2. At the close of the hearing on October 31, 1995, this Council adopted it's Resolution No. 95-____ calling a special mailed-ballot election within Community Facilities District No. 95-02 ("CFD No. 95-02") and directed the City Clerk to conduct the mailed-ballot election pursuant to Government Code Section 53326(d).

3. The Council has received, reviewed and hereby accepts the City Clerk's Certificate Re: Election Results dated October 31, 1995.

4. The Council hereby finds and declares that the ballot measure submitted to the voters of CFD No. 95-02 pursuant to Resolution No. 95-____ has been passed and approved by those voters in accordance with Government Code Section 53328(a) and 53338(b).

5. The Council hereby declares that the Rate and Method of Apportionment of the Special Tax is hereby altered to that as set forth in Exhibit A to the Resolution of Consideration.

FOR CITY CLERK USE ONLY

6. The City Clerk is hereby directed to record an Amended Notice of Special Tax Lien with the County Recorder of the County of Sacramento, to incorporate the Amended and Restated Rate and Method of Apportionment of Special Tax.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 31st day of October, 1995.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

APPROVED
BY THE CITY COUNCIL

OCT 31 1995

RESOLUTION NO. *95-614*

OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING ISSUANCE, SALE AND DELIVERY
BY THE SACRAMENTO CITY PUBLIC FINANCING AUTHORITY OF
SERIES A AND SERIES B OF MARKS-ROOS SPECIAL TAX REVENUE BONDS**

**COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)**

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

Section 1. Recitals.

a.) By its Resolution No. 95-509, adopted on August 29, 1995, this Council has provided for issuance of special tax bonds (the "Mello-Roos Bonds") of Community Facilities District No. 95-02 (Del Paso Road) pursuant to an Indenture which was approved as to form and substance by said Resolution No. 95-509.

b.) By its Resolution No. 95-004, the Sacramento City Financing Authority (the "Authority") has authorized issuance of Series A and Series B of Special Tax Revenue Bonds, the proceeds of which are to be used to purchase the Mello-Roos Bonds from the City of Sacramento (the "City").

c.) This Council hereby finds and determines that the provisions of subdivision (a) of Section 53345.8 of the California Government Code may be disregarded as to the Mello-Roos Bonds for the following reasons:

(i.) The pledge of special tax revenues which secures the Series B Special Tax Revenue Bonds has been subordinated to the pledge of such revenues which secures the Series A Special Tax Revenue Bonds, and the principal amount of the Series A Special Tax Revenue Bonds has been established as equal to one-third of the appraised value of the property which is subject to the special tax obligation.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

(ii.) The Series B Special Tax Revenue Bonds will be sold by private placement to a sophisticated investor who will certify that such investor understands the investment risks involved in the ownership of the Series B Special Tax Revenue Bonds.

(iii.) The Amended and Restated Rate and Method of Apportionment of Special Tax for CFD No. 95-02 has been structured to facilitate meaningful bidding at a foreclosure sale by reducing the future special tax obligation against the property being auctioned at such foreclosure sale when the market value of such property has not been enhanced by construction of improvements thereon.

(iv.) On the basis of the foregoing, this Council finds and determines that the proposed Mello-Roos Bonds, which will be owned by the Authority, do not present any unusual credit risk.

c. This Council wishes to approve the issuance, sale and delivery of the Series A and Series B Special Tax Revenue Bonds by the Authority, as required by the Marks-Roos Local Bond Pooling Act of 1985, pursuant to which the Series A and Series B Special Tax Revenue Bonds are being issued by the Authority.

Section 2. Approval of Bond Issuance. This Council hereby approves the proposed issuance, sale and delivery by the Authority of its Series A and Series B Special Tax Revenue Bonds.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 31st day of October, 1995.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 95-005

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

APPROVED
BY THE CITY COUNCIL
FINANCING AUTHORITY

ON DATE OF _____ OCT 31 1995

OFFICE OF THE
CITY CLERK

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY APPROVING FORM AND SUBSTANCE OF BOND PURCHASE AGREEMENTS FOR PURCHASE OF SERIES A AND SERIES B SPECIAL TAX REVENUE BONDS, AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND EXECUTION OF RELATED DOCUMENTS TO ACCOMPLISH DELIVERY THEREOF

THE GOVERNING BOARD OF THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES:

1. This Board hereby approves the form and substance of (1) a Bond Purchase Agreement presented by Stone & Youngberg for purchase of the Series A Special Tax Revenue Bonds (the "Series A Bonds") of the Sacramento City Financing Authority (the "Authority") and of (2) a Bond Purchase Agreement presented by for purchase of the Series B Special Tax Revenue Bonds. At the option of Stone & Youngberg, said bond purchase agreements may be combined into a single agreement or executed as separate agreements.

2. The Chairman of the Authority or designee thereof is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute and deliver the Bond Purchase Agreements (or Agreement, if combined) in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thererof.

3. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deiver any and all documents, including any agency agreement, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and said Bond Purchase Agreements (or Agreement, if combined). Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

* * *

FOR CITY CLERK USE ONLY

RESOLUTION NO. : _____

DATE ADOPTED: _____

This Resolution was passed and adopted by the Governing Board of the Sacramento City Financing Authority, Sacramento, California, this 31st day of October, 1995.

CHAIRMAN

ATTEST:

AUTHORITY SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

CERTIFICATE OF CITY CLERK
RE: WAIVER OF NOTICE OF HEARING AND
WAIVER AND CONSENT

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

I, Valarie A. Burrowes, City Clerk of the City of
Sacramento, hereby certify:

I have examined the Certificate of Engineer filed in the
above referenced proceedings on October 31, 1995, and in
particular the list of landowner voters within CFD No. 95-02.

I have received, and now have in my possession as a
permanent part of the City's record of this election, (1) a
Waiver of Notice of Hearing of Change Proceedings and (2) a
Waiver and Consent Shortening Time Periods and Waiving Various
Requirements for Conducting Mailed-Ballot Election, each in the
form attached hereto and executed by the four landowners listed
on the attachment to the Certificate of Engineer.

I make this Certification as of October 31, 1995.

Valarie A. Burrowes
Valarie A. Burrowes, City Clerk,
City of Sacramento

CITY CLERK'S CERTIFICATE
RE: ELECTION RESULTS

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

I, Valerie A. Burrowes, City Clerk of the City of Sacramento, certify:

I have personally received and assembled all ballots eligible to be cast in the special mailed-ballot, landowner election called by the City Council by resolution adopted on October 31, 1995, and in accordance with my instructions contained in that resolution, I hereby declare the election closed.

I personally counted the ballots and certify the result of that count to be as follows:

TOTAL VOTES THAT COULD BE CAST: 196 .

TOTAL VOTES CAST "YES": 196 .

TOTAL VOTES CAST "NO": none .

TOTAL VOTES CAST: 196 .

THE VOTES CAST "YES" EQUAL 100% OF THE TOTAL VOTES CAST.

I make this Certification on October 31, 1995.



Valerie A. Burrowes, City Clerk,
City of Sacramento

WAIVER OF NOTICE OF HEARING
OF CHANGE PROCEEDINGS
BY MAIL AND BY PUBLICATION

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, CALIFORNIA

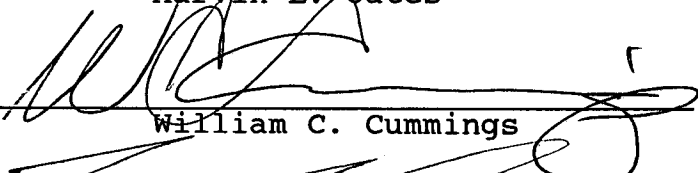
The undersigned are the owners (the "Owners") of all of the property within Community Facilities District No. 95-02, City of Sacramento, California ("CFD No. 95-02") which is subject to the Special Tax.


The undersigned Owners hereby acknowledge that the City Council of the City of Sacramento has set a public hearing on a Resolution of Consideration to Alter the Rate and Method of Apportionment of the Special Tax in CFD No. 95-02 on October 31, 1995, at 2:00 p.m., or as soon thereafter as the Council may reach the matter, in the chambers of the City Council of the City of Sacramento at 915 I Street, Sacramento, California.

The undersigned Owners consent to the conduct of the public hearing on October 31, 1995, notwithstanding that the Owners will not have received a Notice of Hearing by mail nor will the notice have been given by publication.

We declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on October 31, 1995.



Marvin L. Oates

William C. Cummings

Frederick E. Anderson

Patricia D. Anderson

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR CONDUCTING MAILED-BALLOT ELECTION

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

The undersigned are the persons legally entitled and authorized to cast the ballots as the owners of the property in this mailed-ballot election to be conducted within Community Services District No. 95-02 (Del Paso Road) to determine, among other things, whether the rate and method of apportionment of the annual special taxes, as previously approved and recorded, shall be altered.

The undersigned hereby waive any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a).

The undersigned hereby waive the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b).

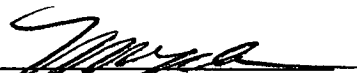
The undersigned hereby waive the requirement to publish notice of the election under Government Code Section 53352.

The undersigned hereby waive the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 1351, and agree to accept either mailed service or personal service of the ballot.

The undersigned hereby waive the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5.

The undersigned hereby waive any and all defects in notice or procedure in the conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and state that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the undersigned.


We and each of us declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on October 31, 1995.



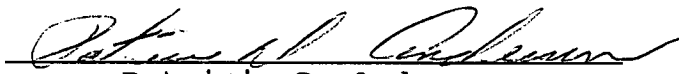
Marvin L. Oates



William C. Cummings



Frederick E. Anderson



Patricia D. Anderson

**COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, CALIFORNIA**

**SPECIAL ELECTION BALLOT
(Mailed-Ballot Election)**

This ballot is for the use of the following persons, owning the subject property as tenants in common:

1. Marvin L. Oates, an unmarried man, as to an undivided 1/3 interest;
2. William C. Cummings, a married man as his sole and separate property, as to an undivided 1/3 interest; and
3. Frederick E. Anderson and Patricia D. Anderson, husband and wife, as community property, as to an undivided 1/3 interest.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, the above-named landowners are entitled to cast 196 votes on this ballot, representing all of the votes pertaining to this special election.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 2:00 p.m. on October 31, 1995, to:

Valerie A. Burrowes, City Clerk
City of Sacramento
915 I Street, Room 304
Sacramento, CA 95814

Mailing by that date will not be sufficient. The ballot must be physically received by the City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the rate and method of apportionment of the special tax be amended to that described in Exhibit A to Resolution No. 95-____, "Resolution of Consideration to Alter the Rate and Method of Apportionment of the Special Tax," adopted on October 31, 1995?

AMENDMENT
Number of votes

Yes

196

Number of votes


No

NONE


CERTIFICATION


The undersigned is the four above-named landowners and are the persons legally authorized and entitled to cast this ballot.

We, and each of us, declare under penalty of perjury that the foregoing is true and correct and that this declaration is executed on October 31, 1995.


Marvin L. Oates


William C. Cummings


Frederick E. Anderson


Patricia D. Anderson

CERTIFICATE OF ENGINEER

COMMUNITY FACILITIES DISTRICT NO. 95-02
(DEL PASO ROAD)
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

I, Gary Alm, hereby declare:

I am familiar with the boundary map of the Community Facilities District No. 95-02 (Del Paso Road) ("CFD No. 95-02"). I prepared, from records of the County of Sacramento, the list of private property owners within CFD No. 95-02 attached hereto. I have also personally inspected the land in CFD No. 95-02 and have noted that there are no dwellings therein that might contain registered voters. I have cross-checked the records with the County Registrar of Voters, as well as inquired directly of the County Registrar's records. I have done all of this to determine the number of registered voters, if any, residing within the boundaries of CFD No. 95-02.

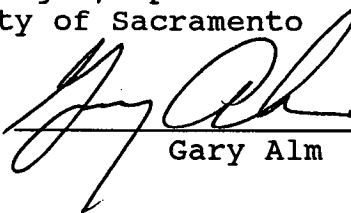
Based on the foregoing, I have determined that, on October 31, 1995, there were no registered voters residing within CFD No. 95-02.

Attached to this certificate is a list of the four persons owning all of the private property within CFD 95-02, as tenants in common. The total number of votes to be cast in the election is 196, based on the formula of one vote for each acre, or portion of an acre, owned.

I certify that the foregoing is true and correct as of October 31, 1995.

GARY ALM,
Manager, Special Districts,
City of Sacramento

By



Gary Alm

**Community Facilities District No. 95-02
(Del Paso Road)
City of Sacramento
County of Sacramento, State of California**

List of Property Owners

- 1. Marvin L. Oates, an unmarried man, as to an undivided 1/3 interest;**
- 2. William C. Cummings, a married man as his sole and separate property, as to an undivided 1/3 interest; and**
- 3. Frederick E. Anderson and Patricia D. Anderson, husband and wife, as community property, as to an undivided 1/3 interest.**