

**APPROVED**  
BY THE CITY COUNCIL

**MAY 25 1999**

OFFICE OF THE  
CITY CLERK



**1.5**

DEPARTMENT OF  
PUBLIC WORKS

**CITY OF SACRAMENTO**  
CALIFORNIA

TECHNICAL SERVICES DIVISION

May 10, 1999

AS 99-085

SPECIAL DISTRICTS  
1231 I STREET  
ROOM 300  
SACRAMENTO, CA  
95814

PH 916-264-7474  
FAX 916-264-7480

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS BASIN 8C COMMUNITY FACILITIES DISTRICT NO. 99-04 -  
RESOLUTION OF INTENTION**

**LOCATION AND COUNCIL DISTRICT:**

The proposed Community Facilities District (CFD) will include approximately 274 acres of the North Natomas Community Plan area, located in Council District 1 (see map, Exhibit A).

**RECOMMENDATION:** This report recommends that the City Council adopt the following:

- Resolution of Intention to Establish a CFD and to Levy a Special Tax (Sets Hearing Date and Approves Boundary Map).
- Resolution of Intention to Incur Bonded Indebtedness.
- Resolution Approving Bond Counsel Agreement for Legal Services.

**CONTACT PERSON:**

Edward Williams, Associate Engineer, 264-5440

**FOR COUNCIL MEETING OF:** May 25, 1999

**SUMMARY:**

This report presents a proposal to form a Mello-Roos CFD in accordance with the North Natomas Financing Plan. The proposed CFD will fund internal drainage improvements specific to drainage Basins 8C in Quadrants 3 and 4 (see Exhibit A).

City Council  
North Natomas Basin 8C CFD  
May 10, 1999

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

In June 1997, the City Council in conjunction with North Natomas property owners successfully completed the formation of CFD No. 1. The improvements funded by that district provides increased conveyance capacity (to the Sacramento River) in the existing Reclamation District 1000 system. Those improvements allow the 5,800 acres of CFD No. 1 to be removed from the underlying 100-year floodplain upon completion of drainage infrastructure specific to each individual drainage basin. North Natomas Basin 8C CFD will fund the later improvements for Drainage Basin 8C.

The boundary of the proposed CFD, as shown on Exhibit A, includes approximately 274 acres of Quadrants 3 and 4.

Improvements to be funded through the CFD include:

- Drainage facilities for Basin 8C include a detention basin (lake), conveyance systems to transmit surface water to the detention basin and ultimately the RD 1000 system, engineering, right-of-way acquisition, administration and legal costs.

These facilities will be more fully described in the Formation Hearing and Financing Plan Reports for Basin 8C CFD which will be available at the formation stage of the process.

CFD Special Election Proceedings

The proposed district will be formed in compliance with the Community Facilities District Act of 1982. As part of the proceedings a special election is required. In a case where the vote is by landowners, rather than registered voters, each acre within the proposed district receives one (1) vote. A  $\frac{2}{3}$  majority is required to finalize the CFD formation. A schedule for the CFD proceedings is provided on Exhibit B.

**FINANCIAL CONSIDERATIONS:**

There will be no impact to the General Fund.

The improvements are proposed to be constructed in two phases at a total estimated cost of \$9.5 million in 1999 dollars. The full bond authorization will be approximately \$12.5 million to cover bond costs and inflation due to phasing (see Exhibit C).

City Council  
North Natomas Basin 8C CFD  
May 10, 1999

#### Landowner Cash Financing

Landowners may cash fund improvements and be reimbursed at a later time through bond proceeds when property has increased in value.

#### Special Tax Formula

The Rate and Method of Apportionment of the Special Tax is attached as Exhibit C to the Resolution of Intention.

#### Maximum Special Tax Rate

The maximum special tax rates for developed parcels are shown on Exhibit D. The rates escalate annually to compensate for inflation based on the Consumer Price Index for the Bay Area.

Parcels being annexed into the CFD in the future will be subject to a "catch-up tax."

#### Prepayment of Special Tax

Prepayment of the Special Tax will permanently satisfy a landowners Special Tax obligation. By selecting to prepay, a landowner can eliminate the future annual Special Tax liability for one or more parcels. Initial calculations of prepayment amounts (per acre) are indicated on Exhibit E.

#### **ENVIRONMENTAL CONSIDERATION:**

The North Natomas Comprehensive Drainage Plan EIR was approved by City Council on May 20, 1997. The City Council's action in approving this Resolution of Intention to form a CFD is solely for the purpose of initiating the process by which a CFD may ultimately be formed and is itself therefore, not a project for purposes of the California Environmental Quality Act.

#### **POLICY CONSIDERATIONS:**

The procedures under which this district is being formed are set forth in Title 5 of the Government Code Sections 53311 - 53317.5 entitled, "The Mello-Roos Community Facilities Act of 1982."

City Council  
North Natomas Basin 8C CFD  
May 3, 1999

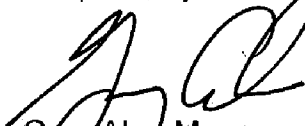
Continuing Disclosure

New Securities and Exchange Commission Rule 15c2-12(b)(5) created a requirement that certain third parties other than the City would provide ongoing disclosure of specified categories of information, in an effort to protect the secondary bond market. A continuing disclosure certificate may be required by certain third party landowners. This requirement will be resolved prior to bond issuance.

**ESBD CONSIDERATIONS:**

None. No goods or services are being purchased.

Respectfully submitted




Gary Alm, Manager  
Special Districts

Respectfully submitted,




Gary Reents, Manager  
Engineering Division, Utilities Department

Approved:



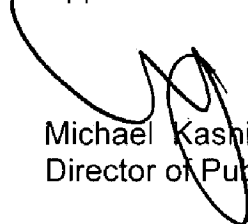
Duane J. Wray, Manager  
Technical Services Division *gyw*

RECOMMENDATION APPROVED:



ROBERT P. THOMAS  
City Manager

Approved:



Michael Kashiwagi  
Director of Public Works

EW:jd

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PROPOSED BOUNDARIES OF  
NORTH NATOMAS BASIN 8C  
COMMUNITY FACILITIES DISTRICT No.99-04  
CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA  
SHEET 1 OF 1 SHEETS

CLERK'S MAP FILING STATEMENT.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 1998.

\_\_\_\_\_  
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE.

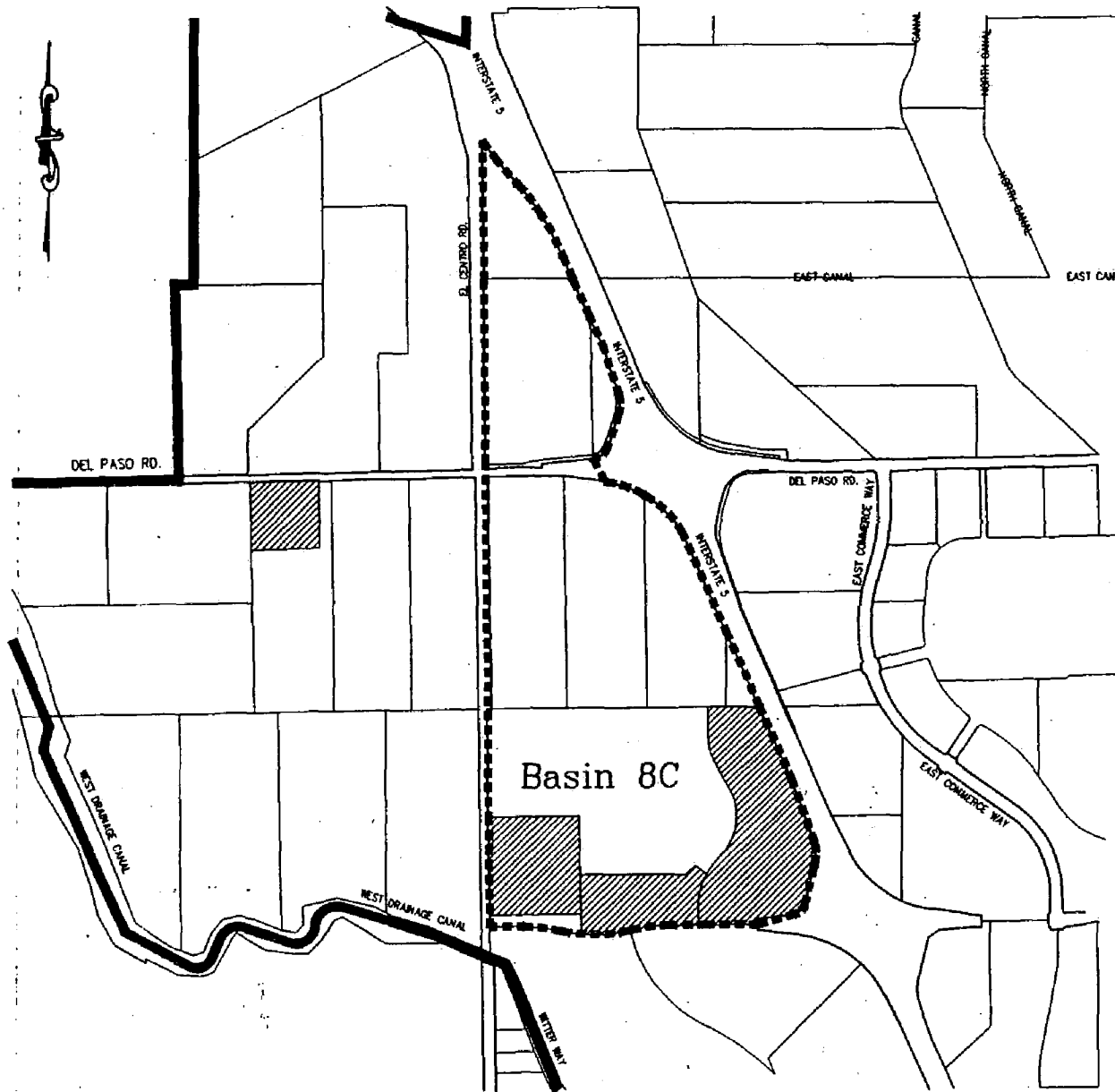
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS BASIN 8C COMMUNITY FACILITIES DISTRICT NO. 99-04, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 1998 BY ITS RESOLUTION No. \_\_\_\_.

\_\_\_\_\_  
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT.

FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 1999 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M., IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA




-  EXCLUDED FROM CFD
-  COMMUNITY FACILITIES DISTRICT BOUNDARY

EXHIBIT A

## NORTH NATOMAS BASIN 8C

12-May-99

### SCHEDULE

25-May-99	<b>City Council - Initiate Formation of Mello-Roos CFD</b> Adopt resolution of intention to establish a CFD.
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29-Jun-99      **City Council Public Hearing on District Formation**  
Adopt resolution of formation.

05-Jul-99      **City Council - Special Election to Establish District and Authorize Bonds to be Issued**

August          **Sell Bonds**

- ASSUMPTIONS:**
- 1) Use 35 days between ROI and Public Hearing.
  - 2) Use 6 days between Public Hearing and Election
  - 3) 100% Landowner Waivers

S:\TECHSVC\Project Delivery\SpecDist\ED\Data1\Excell\NNatomas\Basin 8C\CFD 5 sched.xls]CCR SCH.

**Figure 6**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimated Bond Issues**

Item	Assumption	1999 Bond Issue	Assumption	2004 Bond Issue	Total Bond Issues
<b>Tax Zone</b>		<b>Tax Zone 1</b>	<b>[4]</b>	<b>Tax Zone 2</b>	
<b>Property Owners</b>		<b>Grupe</b>		<b>Ose &amp; Cambay</b>	
<b>Total Estimated Costs (1999 \$'s) [1]</b>		<b>\$4,456,957</b>		<b>\$1,982,887</b>	<b>\$6,439,844</b>
<b>Freeway Drainage Reimbursement to CFD [2]</b>		<b>\$0</b>		<b>\$132,069</b>	<b>\$132,069</b>
Less Land Cost (estimate)		(\$1,618,380)		\$0	(\$1,618,380)
Less Phase I CFD Drainage Facility Costs Funded Privately by Grupe (estimate)		(\$971,425)		\$0	(\$971,425)
Phase II Funded Costs Plus Reimbursement to Grupe (estimate)		\$0		\$2,457,736	\$2,457,736
<b>Net Costs Funded by Bonds (1999 \$'s)</b>		<b>\$1,867,152</b>		<b>\$4,440,623</b>	<b>\$6,307,775</b>
<b>Net Costs Funded by Bonds (Inflated)</b>		<b>\$1,867,152</b>	<b>3.5%</b>	<b>\$5,274,068</b>	<b>\$7,141,220</b>
Underwriter's Discount and Professional Services [2]	See Figure 7	\$322,028	5.5%	\$377,290	\$699,318
Bond Reserve Fund	10.0%	\$264,287	10.0%	\$682,260	\$946,547
Capitalized Interest [3]	8.7%	\$229,049	8.7%	\$591,292	\$820,341
Interest on Construction Drawdown	-1.5%	(\$39,643)	-1.5%	(\$102,339)	(\$141,982)
<b>Total Bond Size</b>		<b>\$2,642,873</b>		<b>\$6,822,600</b>	<b>\$9,465,473</b>
<b>Bond Authorization</b>					<b>\$12,500,000</b>

"bond\_size"

[1]. Phase I Costs from Teichert Bid plus freeway drainage share. Phase II costs are an estimate from the Master Drainage Plan.

This table assumes that City funding is available at time of second bond issue for freeway drainage.

[2] Formation of the district costs, such as consultants, City Utilities Department, City Treasurer's Office, and City Attorney's office, are included in the first bond issue. See Figure 7 for calculation of total formation costs.

[3] Capitalized interest assumes 16 months for both bond issues.

[4] Although it is likely that the second bond issue will occur before 2004, this additional time lag allows contingency for reimbursement of inflated costs.

Sources: EPS and the City of Sacramento Utilities.

**EXHIBIT C**

**Attachment 1**  
**North Natomas Basin 8C CFD No. 99-04**  
**Maximum Special Tax Rates**

Taxable Parcel	Maximum Tax	Tax Levy
<b><u>Tax Zone 1</u></b>		
<b>Developed Parcels</b>		
Detached Residential Unit Lot Size $\geq$ 5,000 sq. ft.	\$1,150	per unit
Detached Residential Unit Lot Size < 5,000 sq. ft.	\$850	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,000	per net acre
Other Residential Parcel	\$5,000	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,000	per net acre
<b><u>Tax Zone 2</u></b>		
<b>Developed Parcels [1]</b>		
Detached Residential Unit Parcel	[1]	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,100	per net acre
Other Residential Parcel	\$5,100	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,100	per net acre
Large Lot Parcel	\$4,300	per gross developable acre

"attach1"

[1] The maximum special tax for Detached Residential Units and Condominium Parcels in Tax Zone 2, and Condominium Parcels in Tax Zone 1 shall be calculated following Step 4.B.2 of the Rate and Method of Apportionment.

**EXHIBIT D**



**Attachment 2**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimated Base Prepayment Amount 1999\$'s**  
(Amounts shown are subject to change annually)

Item	Column 1	Column 2	Column 3
	<i>Construction Cost Method</i>	<i>Bond Authorization Method</i>	<i>Bond Authorization Method after Last Bond Sale (estimated)</i>
Total Construction and Formation Costs - 1999\$'s	\$7,709,073	\$7,709,073	\$7,709,073
Tax Zone 1 share	\$1,900,152	\$1,900,152	\$1,900,152
Tax Zone 2 share	\$5,808,921	\$5,808,921	\$5,808,921
Estimated Authorized Bonds [1] - Inflated \$'s	n/a	\$12,500,000	\$10,157,373
Tax Zone 1 share 26%		\$3,252,000	\$2,642,873
Tax Zone 2 share 74%		\$9,247,593	\$7,514,500
Tax Zone 1 Base Prepayment [2]			
Lots >= 5,000 sq. ft.	\$8,965	\$15,343	\$12,469
Lots < 5,000 sq. ft.	\$6,626	\$11,340	\$9,216
Net Acre	\$38,898	\$66,572	\$54,103
Tax Zone 2 Base Prepayment [2]			
Gross Acre	\$30,605	\$48,723	\$39,592
Gross Developable Acre	\$36,002	\$57,314	\$46,573
Net Acre	\$42,009	\$66,877	\$54,344
Tax Zone 1 Single Family Units			
Lots >= 5,000 sq. ft.	124		
Lots < 5,000 sq. ft.	119		
Net Acres (estimated) [3]	48.85		
Estimated Tax Zone 2 Acreage			
Gross Acres [3]	189.80		
Gross Developable Acres [3]	161.35		
Net Acres (estimated) [3]	138.28		

\*prepayment\*

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.  
Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.
- [3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

EXHIBIT E

**APPROVED**  
BY THE CITY COUNCIL

**MAY 25 1999**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 99-248**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO ESTABLISH THE NORTH NATOMAS BASIN 8C CFD NO. 99-04, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT**

**WHEREAS**, the City Council (the "Council") of the City of Sacramento (the "City") has duly considered the advisability and necessity of establishing a community facilities district in the area of the City commonly known as North Natomas Drainage Basin 8C more particularly described herein and levying a special tax therein to pay for the acquisition and construction of certain public drainage facilities in and for such community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

**WHEREAS**, the Council has determined that the establishment of such community facilities district is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect; and

**WHEREAS**, the Council is fully advised in this matter;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:**

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. It is the intention of the Council to and the Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act, to be known and designated as the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), with the boundaries of the territory proposed for inclusion in the Community Facilities District being more particularly

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

described and shown on that certain map entitled "Proposed Boundaries of North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California" now on file in the office of the City Clerk of the City of Sacramento, a copy of which map is marked Exhibit A and is attached hereto and incorporated herein and made a part hereof; and the City Clerk of the City is hereby authorized and directed to record a copy of such map with the County Recorder of Sacramento County in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 3. It is the intention of the Council to finance the acquisition and construction of those public facilities hereinafter referred to (all of which have an estimated useful life of five (5) years or longer) under and pursuant to the Act in and for the Community Facilities District (which are public facilities that the City is authorized by law to construct, own or operate and that are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur in the Community Facilities District), which public facilities are listed in Exhibit B attached hereto and incorporated herein and made a part hereof (hereinafter referred to as the "Facilities"). The cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities.

Section 4. It is the intention of the Council that, except where funds are otherwise available, a special tax sufficient to pay for the acquisition and construction of the Facilities, including the payment of interest on and principal of bonds to be issued to finance the acquisition and construction of the Facilities and including the repayment of funds advanced by the City for the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, which tax shall be secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied by the Council within the boundaries of the Community Facilities District, and for particulars as to the rate, method of apportionment and manner of collection of such special tax reference is made to Exhibit C, attached hereto and incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay for financing the acquisition and construction of the Facilities, and which specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied as provided therein; provided, that in the case of any special tax to pay for the acquisition and construction of the Facilities that is to be levied against any parcel of land used for private residential purposes (which use commences on the date on which an occupancy permit for private residential use is issued), (1) such

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

maximum special tax shall be specified as a dollar amount which shall be calculated and established not later than the date on which such parcel of land is first subject to the special tax because of its use for private residential purposes, (2) after Fiscal Year 2035-2036, such special tax shall no longer be levied or collected against such parcel of land, and (3) under no circumstances shall such special tax be increased as a consequence of delinquency or default by the owner of any other parcel of parcels of land within the Community Facilities District.

Section 5. It is the intention of the Council, pursuant to Section 53317.3 of the Government Code of the State of California, to continue to levy the special tax on property (that is not otherwise exempt from the special tax) that is acquired by a public entity through a negotiated transaction, or by gift or devise.

Section 6. It is the intention of the Council, pursuant to Section 53317.5 of the Government Code of the State of California, to treat the obligation to pay the special tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

Section 7. It is the intention of the Council, pursuant to Section 53340.1 of the Government Code of the State of California, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 8. It is the intention of the Council, pursuant to Section 53325.7 of the Government Code of the State of California, to establish an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIIB of the California Constitution, for the Community Facilities District.

Section 9. Notice is given that Tuesday, the 29th day of June, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters as set forth in this resolution. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of any of the Facilities proposed therefor, or on any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If the Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act.

Section 10. The Director of Public Works of the City is hereby directed and ordered to study the Community Facilities District and, at or before the time of such public hearing, to cause to be prepared and filed with the Council a report which shall contain a brief description of the Facilities by type which in his opinion will be required to adequately meet the needs of the Community Facilities District, together with an estimate of the cost for financing the acquisition and construction of the Facilities and an estimate of the incidental expenses related thereto, and which such report shall further contain any other material that is related to the Facilities or the Community Facilities District, including an estimate of the fair and reasonable cost of any completed Facilities to be purchased by the Community Facilities District and the fair and reasonable costs of the incidental expenses to be repaid for the Community Facilities District. Such report shall, upon its presentation, be submitted to the Council for review, and shall be made a part of the record of the public hearing on this resolution of intention to establish the Community Facilities District.

Section 11. In the opinion of the Council, the public interest will not be served by allowing the property owners in the Community Facilities District to enter into a contract pursuant to Section 53329.5(a) of the Government Code of the State of California to do the work to be financed under the Act.

Section 12. Notice of the time and place of such public hearing shall be given by the City Clerk of the City in the following manner:

(a) A Notice of Public Hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation published in the area of the Community Facilities District, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form required by the Act shall be mailed, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the Community Facilities District, which such mailing to such property owners shall be made to such property owners at their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector, and which such mailing to such registered voters shall be made to such registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk of the City, and which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**PASSED AND ADOPTED** by the City Council of the City of Sacramento this 25th day of May, 1999, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

PROPOSED BOUNDARIES OF  
NORTH NATOMAS BASIN 8C  
COMMUNITY FACILITIES DISTRICT No.99-04  
CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA  
SHEET 1 OF 1 SHEETS

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_, 1998.

\_\_\_\_\_  
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE

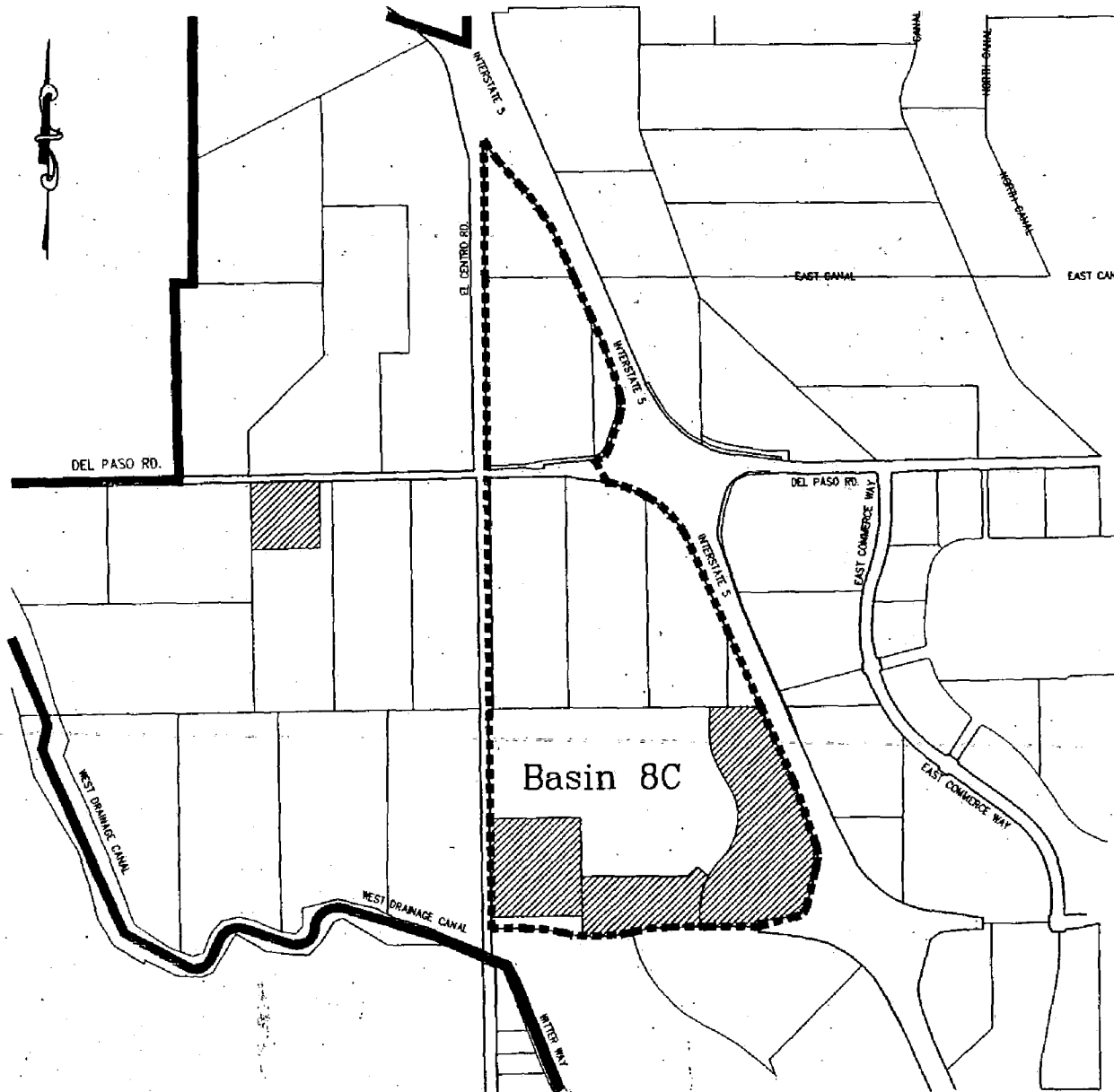
I HEREBY CERTIFY THAT THE WITHIN MAP, SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS BASIN 8C COMMUNITY FACILITIES DISTRICT NO. 99-04, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF HELD ON THE \_\_\_\_ DAY OF \_\_\_\_, 1998 BY ITS RESOLUTION No. \_\_\_\_

\_\_\_\_\_  
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT

FILED THIS \_\_\_\_ DAY OF \_\_\_\_, 1999 AT THE HOUR OF \_\_\_\_ O'CLOCK  
P.M. IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER  
OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER OF THE COUNTY OF  
SACRAMENTO, CALIFORNIA



-  EXCLUDED FROM CFD
-  COMMUNITY FACILITIES DISTRICT BOUNDARY

EXHIBIT A

## Exhibit B

### North Natomas Drainage Basin 8C CFD No. 99-04

#### List of Eligible Facilities

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The authorized costs of the eligible facilities include all those set forth in Section 53345.3 of the Act, and all costs necessary to administer any Debt, collect and administer the special taxes, and administer the Agency. The special taxes may be levied not only to pay current debt service on outstanding Debt, but also to accumulate funds for future debt service, to pay amounts delinquent on the Debt (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on Debt so long as such proceeds are handled in such a fashion as not to cause the Debt to become arbitrage bonds under the Tax Reform Act of 1986.

Each Tax Zone is independent of another in the determination of the facilities to be financed, and the determination of reimbursement. No Tax Zone is given priority over another in this determination. The following drainage facilities, which are identified in the Master Drainage Plan for Basin 8C, are authorized to be funded with proceeds from the CFD:

- A. Excavation of the detention facility / lake.
- B. Construction of the detention facility / lake including clay liner, and other necessary appurtenances. The cost of the headwall will be eligible provided that it is the cheaper design alternative between a headwall and sloped land. If sloped land is the cheaper alternative, the CFD will only fund this amount towards the cost of the headwall.
- C. Construction of outlet structure to the West Drain Canal, including the drain line, weir/lake structure, and junction boxes.
- D. Drainage Channel / buffer improvements, including excavation.
- E. Land acquisition for the detention facility / lake, as determined by the appraisal for the lake.
- F. Trunk Drain pipes and other appurtenances for conveyance of storm drainage to the detention facility / lake, including manholes, that are defined as "common" trunk pipeline by the City.



- G. Habitat Conservation (HCP) fees for construction of the detention facility / lake.
- H. Dewatering and measures to control groundwater during both construction and operation of the facilities.
- I. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for the above listed facilities.

## Exhibit C

City of Sacramento, California  
North Natomas Drainage Basin 8C  
Community Facilities District No. 99-04

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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#### 1. BASIS OF SPECIAL TAX LEVY

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Drainage Community Facilities District No. 99-04 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

#### 2. DEFINITIONS

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

**"Administrative Expenses"** means the actual or estimated costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants, legal counsel, corporate bond-paying agents, fiscal agents, and bond trustees; the costs of collecting installments of the Special Taxes upon the general tax rolls; cost of arbitrage calculation and arbitrage rebates, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

**"Annual Costs"** means, for any Fiscal Year, the total of (i) Debt Service for the Calendar Year commencing January 1 of such Fiscal Year through December 31 of the following Fiscal Year; (ii) Administrative Expenses for such Fiscal Year; (iii) any amounts needed to replenish any bond reserve fund for bonds of the City issued for the CFD to the level required under the documents pursuant to which such bonds were issued; (iv) an amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and an amount for anticipated delinquencies for the current Fiscal Year; (v) pay-as-you-go expenditures for authorized facilities to be constructed or acquired by the CFD, less any credit from earnings on the bond reserve fund, less any reimbursements, and/or less any grants/other project funding.

**"Assessor"** means the Assessor of the County of Sacramento.

**"Authorized Facilities"** means those improvements, as listed in the Resolution forming the CFD.

**"Base Year"** means the Fiscal Year 1999-2000.

**"Bond Year"** means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

**"CFD"** means the North Natomas Drainage Basin 8C Community Facilities District No. 99-04 of the City of Sacramento, California.

**"City"** means City of Sacramento, California.

**"Condominium Parcel"** means a Developed Parcel with an approved land use for condominiums (more than two attached dwelling units that are owned individually). Parcels that are open space, recreation, clubhouse etc, owned by a Condominium Association or Homeowners Association, are Tax-Exempt Parcels.

**"Council"** means the City Council of the City of Sacramento acting for the CFD under the Act.

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

**"Debt Service"** means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds, notes or certificates of participation of the City for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year.

**"Detached Residential Unit Parcel"** means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit, or a duplex (two units per lot).

**"Developed Parcel"** means a Parcel that has a:

- recorded final small lot subdivision map for residential uses permitting up to 2 units per lot,
- approved special use permit for residential use permitting 3 or more units per lot, or
- approved special use permit for Non-Residential Development.

Once classified as Developed, no Parcel shall be removed from these classifications unless the special use permit expires, is revoked, or is otherwise terminated.

**"Developable Parcel"** means a Parcel created after 1/1/94 by a recorded Master Parcel Map, or other map subdividing the property, but that still requires further subdivision into individual small lots or a special use permit to develop.

**"Development Year"** means the Fiscal Year in which the Parcel changes classification from Developable Parcel to Developed Parcel.

**"Estimated Net Acreage"** means the actual Net Acreage of a Parcel or an approximation of the Net Acreage based upon the total Gross Developable Acres less an allowance for minor streets as indicated in the North Natomas Community Plan.

**"Final Use Parcel"** means a Parcel that has been created by a recorded Master Parcel Map or other recorded Final Subdivision Map and requires no further subdivision in order to achieve its authorized maximum density development under existing zoning or community planned designations. The Parcel will be classified as a Developable Parcel until a special use permit has been issued. If the City cannot determine if a Parcel is to be classified as a Final Use Parcel or a Large Lot Parcel, then the Parcel shall be classified as a Large Lot Parcel.

**"Final Subdivision Map"** means a recorded map designating the final Parcel splits for individual single-family residential Parcels.

**"Fiscal Year"** means the period starting July 1 and ending the following June 30.

**"Gross Acre"** means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

**"Gross Developable Acre"** means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

**"Large-Lot Parcel"** means a Parcel that is created by a recorded Master Parcel Map or recorded Final Subdivision Map, which requires further subdivision or other entitlements and dedications of public land in order to develop.

**"Master Parcel Map"** means a map that subdivides large tracts of land into smaller parcels for the purpose of selling or otherwise transferring the Parcels for further subdivision in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on Non-Residential Parcels.

**"Maximum Annual Special Tax"** means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the relevant acres or units of the Parcel.

**"Maximum Annual Special Tax Rate"** means the amount shown in Attachment 1 for a given Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

**"Maximum Annual Special Tax Revenue"** means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Annual Special Tax Rates.

**"Net Acre"** is the area of a Parcel associated with residential and non-residential uses after dedication of all public uses and rights-of-way.

**"Non-Participating Parcel"** means a Parcel, which is not part of a recorded Master Parcel Map, and does not have authorization from the property owner to be taxed. Any such Parcel shall be a Tax-Exempt Parcel. Any Non-Participating Parcel which subsequently becomes Taxable must be reclassified as a Developable Parcel, or a Parcel of higher tax status. Once the Non-Participating Parcel has been reclassified as a Taxable Parcel, it cannot revert to Non-Participating Parcel status.

**"Non-Residential Development"** means a Taxable Parcel designated for retail, commercial, office, industrial, or similar use as defined in the North Natomas Community Plan.

**"Non-Residential Parcel"** means a Developed Parcel with an approved land use for Non-Residential Development.

**"Other Residential Parcel"** means a Developed Parcel with an approved land use for other than Detached Residential Unit Parcel or Condominium Parcel, such as three or more attached residential units owned in common.

**"Parcel"** means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Parcel Number"** means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Prepayment"** means the permanent satisfaction of the entire Special Tax obligation for one or more Parcels by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6. Prepayment may occur before or after the initial bond sale, with differing criteria.

**"Prepayment Parcel"** means a Parcel that has permanently satisfied the entire Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6.

**"Public Parcel"** means any Parcel, in its entirety, that is or is intended to be publicly owned as designated by the City that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways including drainage basins, lakes, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes as described below. Any such Parcel shall be a Tax-Exempt Parcel, except for Taxable parcels that are acquired by a public agency, in which case the Special Tax obligation for such parcels shall be required to be permanently satisfied pursuant to Sections 53317.3 and 53317.5 of the Government Code by the procedure described in Section 6.

**"Special Tax(es)"** mean(s) any tax levy under the Act in CFD.

**"Tax Collection Schedule"** means the document prepared by the City for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

**"Tax Zone"** means the two areas indicated on Attachment 3 as Tax Zone 1 and Tax Zone 2.

**"Taxable Parcel"** means any Parcel that is not a Tax-Exempt Parcel.

**"Tax-Exempt Parcel"** means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below), (ii) Prepayment Parcels, and (iii) Non-Participating Parcels. Certain non-developable privately owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

**"Tentative Subdivision Map"** means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

**"Zone 1 Parcel"** means each Parcel that lies within Tax Zone 1.

**"Zone 2 Parcel"** means each Parcel that lies within Tax Zone 2.

### 3. TERMINATION OF THE SPECIAL TAX

The Special Tax will be levied on and collected from Taxable Parcels in the CFD for as long as needed to pay the principal and interest on debt for the Bonds issued to fund Authorized Facilities. However, in no event shall the Special Tax be levied after Fiscal Year 2035-2036.

When all of the bonds issued to pay for Authorized Facilities have been retired, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

### 4. ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX

A. Classification of Parcels. By May 1 of each Fiscal Year, using the Definitions above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or Taxable Parcel.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be identified according to the Tax Zone that it is located in.

3. Each Taxable Parcel to be further classified as a Developed Parcel or Developable Parcel.
4. Each Developable Parcel to be further classified as a Final Use Parcel or Large-Lot Parcel. Developed Parcels will be classified as Final Use Parcels.

B. Assignment of Maximum Annual Special Tax. The City shall assign the appropriate Maximum Annual Special Tax to each Taxable Parcel as follows:

1. Developed and Developable Parcels

**Attachment 1** shows the Maximum Special Tax Rates per acre for Developed Parcels and Developable Parcels. Final Use Parcels will be taxed per Net Acre. Final Use Parcels that are residential lots in Tax Zone I will be taxed per unit (see Step 2. below). Large Lot Parcels will be taxed per Gross Developable Acre. [Note: Developed Parcels that are residential Parcels created by Final Subdivision Map or Master Plan Map are assigned a Maximum Annual Special Tax under Step B.2 below.]

2. Residential Parcels

The Maximum Special Tax Rate for a Detached Residential Unit Parcel, and Condominium Parcel shall be determined as follows:

For **Tax Zone 1**, the Maximum Annual Special Tax per Detached Residential Unit is shown on **Attachment 1**. In the event that a Condominium Parcel is created in Tax Zone 1, the procedure for setting the Maximum Special Tax for Tax Zone 2 shall be followed.

For **Tax Zone 2**, the Maximum Annual Special Tax will be calculated by the following steps:

For Detached Residential Units:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Detached Residential Units in the Final Subdivision Map or Master Parcel Map creating the Detached Residential Units.
- b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Detached Residential Units created in the Final Subdivision Map or Master Parcel Map.

For Condominium Parcels:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Condominium Parcels in the Final Subdivision Map or Master Parcel Map creating the Condominium Parcels.
  - b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Condominium Parcels created in the Final Subdivision Map or Master Parcel Map.
- C. Conversion of a Public Parcel to a Taxable Parcel. If a Public Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.
- D. Reclassification of a Non-Participating Parcel from Tax-Exempt status to Taxable status. Once a Non-Participating Parcel records a Master Parcel Map, the Parcel must be reclassified as a Taxable Parcel, and shall be classified as a Developable Parcel, or a Developed Parcel. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.

## 5. CALCULATING ANNUAL SPECIAL TAXES

The City shall compute the Annual Costs for each Tax Zone, and determine the Maximum Annual Special Tax for each parcel based on the assignment in the Special Tax in Section 4. The City will then determine the tax levy for each parcel using the following process:

- A. Compute the Annual Costs using the definitions in Section 2.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
  1. Calculate the available special tax revenues by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
  2. If revenues from taxing Developed Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Developable Parcels up to 100% of their Maximum Annual Special Tax or until the tax levy is set at an amount sufficient to cover the Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.



- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the parcels subject to the tax and their Special Tax assignments.

## 6. PREPAYMENT OF SPECIAL TAX OBLIGATION

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the Prepayment. These calculations are described below.

### CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount for each Tax Zone will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount for each Tax Zone shall be calculated using the following steps.

- Step 1: Determine the total number of acres within Tax Zone 2 for each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres; and determined the total number of Units, and Net Acres in Tax Zone 1. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.

- Gross Acres equal the original Gross Acres at the formation of the CFD.
- If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
- If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.

Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

Step 3: Identify the Tax Zone that the Prepayment Parcel is located in. Calculate the base Prepayment amount per acre (Tax Zones 1 and 2), or per unit (Tax Zone 1 only) of the Prepayment Parcel in the following manner:

Divide the total costs from the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds if bonds have been issued) by each of the three acreage categories in Tax Zone 2, and by Net Acres or units in Tax Zone 1. Multiply the Parcel's total acreage by the appropriate cost per acre (e.g. per Gross Acre, Gross Developable Acre, or Net Acre) or cost per unit to arrive at the base Prepayment amount.

Step 4: For Detached Residential Units in Tax Zone 1 calculate the base Prepayment amount per unit of the Prepayment Parcel as follows: (for Other Residential, Non-Residential Parcels, and Detached Residential Parcels in Tax Zone 2, skip to Step 5)

Divide the Prepayment amount per Net Acre by the average number of lots per Net Acre according to the appropriate lot size for detached residential units (including duplexes) as indicated in **Attachment 2**.

Step 5: Update **Attachment 2** based on the above calculations to reflect the base Prepayment amount per acre for each Tax Zone for the upcoming Fiscal Year. The **Attachment 2** included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

#### DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.

**Prior to First Bond Sale (skip to Step 8 if bonds have been sold)**

- Step 6: If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre or per unit for the Tax Zone the Parcel is located in from Column 1 of **Attachment 2** by the Parcel's total acreage or total number of units.
- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 6, the City's administrative cost allocated to each Tax Zone for calculating these amounts.

**Subsequent to the Initial Sale of Bonds**

- Step 8: Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, Column 2 of **Attachment 2** will be used. If all bonds have been sold, Column 3 of **Attachment 2** will be used.
- Step 9: Parcel's base Prepayment amount will be calculated by multiplying the base Prepayment Amount per acre (Tax Zones 1 and 2) or per unit (Tax Zone 1 only) from either Column 2 or 3 of **Attachment 2** by the Parcel's total acreage or total number of units.
- Step 10: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the Prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the Prepayment calculation or the application of the proceeds of the Prepayment, less any amounts creditable from the Reserve Fund.

## **7. RECORDS MAINTAINED FOR THE CFD**

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- the Tax Zone that the Parcel lies in;
- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.
- the Development Year.

The file containing the information listed above will be available for public inspection.

## **8. APPEALS**

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City appealing the levy of the Special Tax. The City will then promptly review the appeal, and if necessary, meet with the applicant. If the City verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD.

**Attachment 1**  
**North Natomas Basin 8C CFD No. 99-04**  
**Maximum Special Tax Rates**

Taxable Parcel	Maximum Tax	Tax Levy
<b><u>Tax Zone 1</u></b>		
<b>Developed Parcels</b>		
Detached Residential Unit Lot Size $\geq$ 5,000 sq. ft.	\$1,150	per unit
Detached Residential Unit Lot Size < 5,000 sq. ft.	\$850	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,000	per net acre
Other Residential Parcel	\$5,000	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,000	per net acre
<b><u>Tax Zone 2</u></b>		
<b>Developed Parcels [1]</b>		
Detached Residential Unit Parcel	[1]	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,100	per net acre
Other Residential Parcel	\$5,100	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,100	per net acre
Large Lot Parcel	\$4,300	per gross developable acre

"attach1"

- [1] The maximum special tax for Detached Residential Units and Condominium Parcels in Tax Zone 2, and Condominium Parcels in Tax Zone 1 shall be calculated following Step 4.B.2 of the Rate and Method of Apportionment.

**Attachment 2**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimated Base Prepayment Amount 1999\$'s**  
(Amounts shown are subject to change annually)

Item	Column 1	Column 2	Column 3
	<i>Construction Cost Method</i>	<i>Bond Authorization Method</i>	<i>Bond Authorization Method after Last Bond Sale (estimated)</i>
Total Construction and Formation Costs - 1999\$'s	\$7,709,073	\$7,709,073	\$7,709,073
Tax Zone 1 share	\$1,900,152	\$1,900,152	\$1,900,152
Tax Zone 2 share	\$5,808,921	\$5,808,921	\$5,808,921
Estimated Authorized Bonds [1] - Inflated \$'s	n/a	\$12,500,000	\$10,157,373
Tax Zone 1 share 26%		\$3,252,000	\$2,642,873
Tax Zone 2 share 74%		\$9,247,593	\$7,514,500
Tax Zone 1 Base Prepayment [2]			
Lots >= 5,000 sq. ft.	\$8,965	\$15,343	\$12,469
Lots < 5,000 sq. ft.	\$6,626	\$11,340	\$9,216
Net Acre	\$38,898	\$66,572	\$54,103
Tax Zone 2 Base Prepayment [2]			
Gross Acre	\$30,605	\$48,723	\$39,592
Gross Developable Acre	\$36,002	\$57,314	\$46,573
Net Acre	\$42,009	\$66,877	\$54,344
Tax Zone 1 Single Family Units			
Lots >= 5,000 sq. ft.	124		
Lots < 5,000 sq. ft.	119		
Net Acres (estimated) [3]	48.85		
Estimated Tax Zone 2 Acreage			
Gross Acres [3]	189.80		
Gross Developable Acres [3]	161.35		
Net Acres (estimated) [3]	138.28		

"prepayment"

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.  
Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.
- [3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

**Figure 6**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimated Bond Issues**

Item	Assumption	1999 Bond Issue	Assumption	2004 Bond Issue	Total Bond Issues
<b>Tax Zone</b>		<b>Tax Zone 1</b>	<b>[4]</b>	<b>Tax Zone 2</b>	
<b>Property Owners</b>		<b>Grupe</b>		<b>Ose &amp; Cambay</b>	
<b>Total Estimated Costs (1999 \$'s) [1]</b>		<b>\$4,456,957</b>		<b>\$1,982,887</b>	<b>\$6,439,844</b>
<b>Freeway Drainage Reimbursement to CFD [2]</b>		<b>\$0</b>		<b>\$132,069</b>	<b>\$132,069</b>
Less Land Cost (estimate)		(\$1,618,380)		\$0	(\$1,618,380)
Less Phase I CFD Drainage Facility Costs Funded Privately by Grupe (estimate)		(\$971,425)		\$0	(\$971,425)
Phase II Funded Costs Plus Reimbursement to Grupe (estimate)		\$0		\$2,457,736	\$2,457,736
<b>Net Costs Funded by Bonds (1999 \$'s)</b>		<b>\$1,867,152</b>		<b>\$4,440,623</b>	<b>\$6,307,775</b>
<b>Net Costs Funded by Bonds (inflated)</b>		<b>\$1,867,152</b>	<b>3.5%</b>	<b>\$5,274,068</b>	<b>\$7,141,220</b>
Underwriter's Discount and Professional Services [2]	See Figure 7	\$322,028	5.5%	\$377,290	\$699,318
Bond Reserve Fund	10.0%	\$264,287	10.0%	\$682,260	\$946,547
Capitalized Interest [3]	8.7%	\$229,049	8.7%	\$591,292	\$820,341
Interest on Construction Drawdown	-1.5%	(\$39,643)	-1.5%	(\$102,339)	(\$141,982)
<b>Total Bond Size</b>		<b>\$2,642,873</b>		<b>\$6,822,600</b>	<b>\$9,465,473</b>
<b>Bond Authorization</b>					<b>\$12,500,000</b>

"bond\_size"

[1] Phase I Costs from Teichert Bid plus freeway drainage share. Phase II costs are an estimate from the Master Drainage Plan.

This table assumes that City funding is available at time of second bond issue for freeway drainage.

[2] Formation of the district costs, such as consultants, City Utilities Department, City Treasurer's Office, and City Attorney's office, are included in the first bond issue. See Figure 7 for calculation of total formation costs.

[3] Capitalized interest assumes 16 months for both bond issues.

[4] Although it is likely that the second bond issue will occur before 2004, this additional time lag allows contingency for reimbursement of inflated costs.

Sources: EPS and the City of Sacramento Utilities.

**Figure 7**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimate of Underwriter's Discount and Professional Services - First Bond Sale**

Cost Item	Total Cost in first bond sale
<b>Formation Costs</b>	
City Attorney	\$8,000
City Treasury	\$25,000
City Utilities	\$25,000
City Special Districts	\$25,000
City Real Estate - Overall CFD	\$40,250
City Real Estate - Lake Property	\$15,000
Consultants (special tax consultant, appraiser, absorption consultant)	\$53,000
City Utilities Consultants (engineering, water quality, soils)	\$50,000
<b>Total Formation Costs</b>	<b>\$241,250</b>
<b>Bond Counsel</b>	
Bond Counsel Miscellaneous	\$5,000
Bond Counsel Costs	\$26,000
<b>Total Bond Counsel</b>	<b>\$31,000</b>
<b>Underwriter's Discount - approximately 3 % of total bonds</b>	<b>\$79,286</b>
<b>Bond Registration and Administration</b>	<b>\$1,500</b>
<b>Estimated Official Statement Costs</b>	<b>\$20,000</b>
<b>Total Underwriter's Discount and Professional Services</b>	<b>\$371,536</b>
Reimbursable Costs to Tax Zone 2 in second bond issue [1]	\$49,508
<b>Total Underwriter's Discount and Professional Services Phase I Bond Issue</b>	<b>\$322,028</b>

"form"

[1] Upfront CFD formation costs paid by Ose and Cambay.

Source: City of Sacramento Special Districts, City Treasurer's Office, and EPS.



APPROVED  
BY THE CITY COUNCIL

MAY 25 1999

OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 99-249

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SACRAMENTO DECLARING ITS INTENTION TO INCUR A  
BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION  
AND CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE  
FACILITIES IN AND FOR THE NORTH NATOMAS BASIN 8C  
CFD NO. 99-04, CITY OF SACRAMENTO, COUNTY OF  
SACRAMENTO, STATE OF CALIFORNIA

**WHEREAS**, the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. \_\_\_\_\_ (the "Resolution") on May 25, 1999, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), to be known and designated as the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), and to levy a special tax therein to finance the acquisition and construction of certain public drainage facilities (the "Facilities," as that term is defined in the Resolution) in and for the Community Facilities District; and

**WHEREAS**, the Council is fully advised in this matter;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:**

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. The Council hereby declares that the public convenience and necessity require and it is necessary that a bonded indebtedness be incurred to finance the acquisition and construction of the Facilities in and for the Community Facilities District. The cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities.

Section 3. The amount of the proposed bonded indebtedness to be incurred to finance the acquisition and construction of the Facilities is twelve and one-half million dollars (\$12,500,000.00), which amount includes all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which such bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the Community Facilities District estimated to be due and payable within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 4. Notice is given that Tuesday, the 29th day of June, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the incurring of a bonded indebtedness to finance the costs of the acquisition and construction of the Facilities in and for the Community Facilities District. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard on the proposed debt issue or on any other matters set forth herein, and they may present any matters relating to the necessity for incurring such bonded indebtedness to finance the costs of the acquisition and construction of the Facilities and to be secured by a special tax to be levied within the Community Facilities District.

Section 5. Notice of the time and place of such public hearing shall be given by the City Clerk of the City in the following manner:

(a) A Notice of Public Hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation circulated within the Community Facilities District, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form required by the Act shall be mailed, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the proposed Community Facilities District, which such mailing to such property owners shall be made to such property owners at their addresses as shown on the records of the City, and which such mailing to such registered voters shall be made to such registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk of the City, and which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing.

**PASSED AND ADOPTED** by the City Council of the City of Sacramento this 25th day of May, 1999, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**APPROVED**  
BY THE CITY COUNCIL

**MAY 25 1999**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 99-250**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SACRAMENTO APPROVING AN AGREEMENT FOR LEGAL  
SERVICES FOR THE NORTH NATOMAS BASIN 8C CFD NO. 99-  
04, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE  
OF CALIFORNIA**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO**

That this Council approves that certain agreement attached hereto between the City of Sacramento (the "City") and Orrick, Herrington & Sutcliffe LLP, for services of that firm as Special Bond Counsel for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, dated May 6, 1999, and the City Manager of the City is authorized to sign the agreement and the City Clerk of the City is authorized to attest its execution.

**PASSED AND ADOPTED** by the City Council of the City of Sacramento this 25th day of May, 1999, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

MEMORANDUM OF PROCEEDINGS  
TO BE CONSIDERED BY THE  
CITY COUNCIL OF THE CITY OF SACRAMENTO  
ON TUESDAY, ~~MAY 25, 1999~~ IN CONNECTION WITH THE  
NORTH NATOMAS BASIN 8C CFD NO. 99-04  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

It is in order for the City Council to consider the following items to initiate proceedings for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California ("CFD No. 99-04"):

**A. Items for Council Action**

1. Resolution Approving an Agreement for Legal Services for North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Resolution [R-1]).
2. Resolution Declaring its Intention to Establish the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Drainage Facilities in and for such Community Facilities District (Resolution [R-2]).\*
3. Resolution Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Drainage Facilities in and for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Resolution [R-3]).

**B. Items to be Filed with the City Clerk**

1. Boundary Map (Original and three (3) copies).
2. Notices:
  - (a) Notice of Public Hearing on Resolution of Intention to Establish the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Drainage Facilities in and for such Community Facilities District (Notice [N-1]).

\* Please note that the exhibits must be attached to Resolution [R-2] before consideration by the City Council.

(b)

Notice of Public Hearing on Resolution of Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Drainage Facilities in and for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Notice [N-2]).

3. Affidavits:

- (a) Affidavit of Recording Boundary Map (Affidavit [A-1]).
- (b) Affidavit of Compliance with Requirement for Publishing Notice of Public Hearing on Resolution of Intention to Establish the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Affidavit [A-2]).
- (c) Affidavit of Compliance with Requirement for Mailing Notice of Public Hearing on Resolution of Intention to Establish the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Affidavit [A-3]).
- (d) Affidavit of Compliance with Requirement for Publishing Notice of Public Hearing on Resolution of Intention to Incur a Bonded Indebtedness for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Affidavit [A-4]).
- (e) Affidavit of Compliance with Requirement for Mailing Notice of Public Hearing on Resolution of Intention to Incur a Bonded Indebtedness for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (Affidavit [A-5]).

4. Certificate Relative to Voters [C-1].

C. Additional Instructions for the City Clerk:

1. Agreement for Legal Services

Three copies of the Agreement for Legal Services have been sent to Janelle Gray in the Treasurer's office at her request. We have asked her to return a fully executed copy to us.

2. Boundary Map

(a) On the original and three (3) copies of the Boundary Map:

- (i) Fill in the filing date in the Clerk's office, using the date of the Council meeting, and sign the Clerk's filing certificate.

- (ii) Fill in the Council approval certificate using the date of the Council meeting, enter the resolution number (Resolution [R-2]), and sign the Council approval certificate.
- (iii) Have the original Boundary Map filed for record in the office of the County Recorder of the County of Sacramento no later than fifteen (15) days prior to the date of the public hearing.
- (iv) Ask the County Recorder to conform the three (3) copies of the Boundary Map with the recording data. Keep one (1) conformed copy in the City Clerk's file of proceedings and send two (2) conformed copies to our office for the transcript files.

### 3. Notices of Public Hearings

#### (a) Notice [N-1]:

- (i) In the first paragraph on page 1, fill in the blank the number of Resolution [R-2].
- (ii) Attach Exhibits A and B to the Notice.
- (iii) Sign the Notice.

#### (b) Notice [N-2]:

- (i) In the first paragraph on page 1, fill in the blank the number of Resolution [R-3].
- (ii) Sign the Notice.

4. Publication of Notices - After the Council meeting, please arrange to have the two Notices of Public Hearing [N-1] (together with Exhibits A and B) and [N-2] published once in the *Daily Recorder* at least seven (7) days prior to the public hearing, which publication date we understand is proposed for June 21, 1999. Please secure a proof of publication in triplicate, keep one copy in your file of proceedings and send two copies to our office.
5. Mailing of Notices - Please mail a copy of the two Notices of Public Hearing [N-1] (together with Exhibits A and B) and [N-2] by first-class mail, postage prepaid, to all property owners and registered voters within CFD No. 99-04 in accordance with the names and addresses as they appear on the records of the Sacramento County Director of Finance and the records of the Sacramento County Registrar of Voters, respectively, no later than fifteen (15) days prior to the public hearing, which mailing date we understand is proposed for June 11, 1999.

6. Affidavits

Please complete and sign, in triplicate, each of the five Affidavits [A-1] through [A-5] listed in Item B.3. above and have them notarized. Keep the originals in the City Clerk's file of proceedings and return two (2) copies of each affidavit to our office.

7. Certificate Relative to Voters

An original and two copies are to be signed by Gary Alm. Exhibit A is to be completed and attached to each copy of the signed certificate. Please keep the signed original in your file of proceedings and send two signed copies to our office.

8. Please send two (2) certified copies of the adopted resolutions to our office for the attention of Amy Wong.

If you have any questions regarding these instructions, please call:

Carlo Fowler, Bond Attorney (415) 773-5884

or

Amy Wong, Project Manager, Public Finance (415) 773-4262

at

ORRICK, HERRINGTON & SUTCLIFFE LLP



**THE DAILY RECORDER**

...Since 1911...

1115 H Street P.O. Box 1048  
Sacramento, California 95812  
Telephone (916) 444-2355  
Fax (916) 444-0636

This space for filing stamp only

RECEIVED OFFICE  
CLERK'S OF SACRAMENTO  
JUN 2 09 PM '99

SAC. CITY CLERK PO#8070060934  
915 I St., Rm. 304/ V. HENRY  
Sacramento CA 95814

DJC8924256

**Proof of Publication**

(Attach copy of notice here)

(2015.5 C.C.P.)

State of California )  
County of Sacramento ) ss

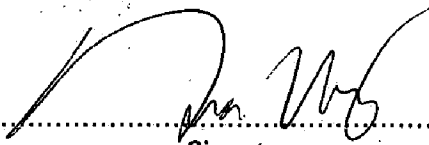
AD8861

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of THE DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date of May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/02/99

EXECUTED ON : 06/02/99  
AT LOS ANGELES, CALIFORNIA

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

  
.....  
Signature

...Since 1911...

*This space for filing stamp only*

CITY RECEIVED  
CITY CLERK'S OFFICE  
CITY OF SACRAMENTO  
JUN 3 1 25 PM '99

DJC8924253

(Attach copy of notice here)


AD8860

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of THE DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date of May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/01/99

EXECUTED ON : 06/01/99  
AT LOS ANGELES, CALIFORNIA

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

  
Signature

CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH  
THE REQUIREMENTS FOR PUBLISHING  
A NOTICE OF PUBLIC HEARING  
ON THE RESOLUTION OF INTENTION TO ESTABLISH THE  
NORTH NATOMAS BASIN 8C CFD NO. 99-04, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

STATE OF CALIFORNIA       )  
  ) ss.  
COUNTY OF SACRAMENTO )

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City  
of Sacramento;

That, pursuant to Resolution No. 99-248 (the "Resolution") adopted by the  
City Council of the City of Sacramento on May 25, 1999, she complied with the requirements for  
publishing a Notice of Public Hearing on the Resolution to establish the North Natomas Basin  
8C CFD No. 99-04, City of Sacramento , County of Sacramento, State of California (the  
"Community Facilities District"), as required by Section 12 of the Resolution, by causing a copy  
of such notice to be published in the Daily Recorder, a newspaper of general circulation  
published in the area of the Community Facilities District, and that attached hereto, marked  
Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of

an affidavit of publication on file in her office showing that such notice as annexed to said  
affidavit was duly published one time on June <sup>1st</sup> 21, 1999.

*Natalie A. Burrows*

City Clerk of the City of Sacramento

*Sacramento, California*

Subscribed and sworn to before me  
this 17th day of July, 1999.

*Angelina M. Resurreccion*

NOTARY PUBLIC

State of California

[Notarial Seal]



EXHIBIT A

[ATTACH COPY OF N-1 IN FORM MAILED]

CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH  
THE REQUIREMENTS FOR PUBLISHING  
A NOTICE OF PUBLIC HEARING  
ON THE RESOLUTION OF INTENTION TO INCUR  
A BONDED INDEBTEDNESS FOR THE  
NORTH NATOMAS BASIN 8C CFD NO. 99-04, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

STATE OF CALIFORNIA       )  
  )  
COUNTY OF SACRAMENTO    ) ss.

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City  
of Sacramento;

That, pursuant to Resolution No. 99-249 (the "Resolution") adopted by the  
City Council of the City of Sacramento on May 25, 1999, she complied with the requirements for  
publishing a Notice of Public Hearing on the Resolution to incur a bonded indebtedness for the  
North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of  
California (the "Community Facilities District"), as required by Section 5 of the Resolution, by  
causing a copy of such notice to be published in the Daily Recorder, a newspaper of general  
circulation circulated within the area of the Community Facilities District, and that attached  
hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and

correct copy of an affidavit of publication on file in her office showing that such notice as  
annexed to said affidavit was duly published one time on June <sup>2nd</sup> ~~21~~, 1999.

*Terrie A. Burrows*

City Clerk of the City of Sacramento

*Sacramento, California*

Subscribed and sworn to before me  
this 17th day of July, 1999.

*Angelina M. Resurreccion*

NOTARY PUBLIC  
State of California

[Notarial Seal]

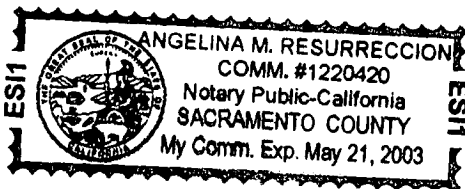


EXHIBIT A

[ATTACH AFFIDAVIT OF PUBLICATION OF N-2]



CERTIFICATE RELATIVE TO VOTERS

NORTH NATOMAS BASIN 8C CFD NO. 99-04, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

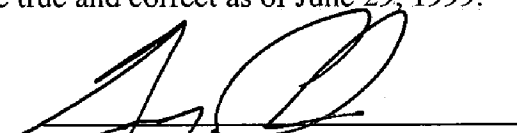
I, Gary R. Alm, hereby declare:

1. I am familiar with the boundary map of the proposed North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District").

2. I have prepared, from the official records of Sacramento County, a list of all property owners within the Community Facilities District, including the total number of acres owned within the Community Facilities District by each such property owner, a copy of which list is attached hereto as Exhibit A and incorporated herein and made a part hereof.

3. I have personally inspected the land in the Community Facilities District, and have noted the locations of all dwellings therein that might contain registered voters, and I have cross-checked such locations with the Sacramento County Registrar of Voters as well as inquired directly of such officer's records to determine the number of registered voters residing within the boundaries of the Community Facilities District, and based on the foregoing, I have determined that on June 29, 1999, there were no registered voters residing within the Community Facilities District.

I certify the foregoing to be true and correct as of June 29, 1999.

  
\_\_\_\_\_  
Gary R. Alm, Manager,  
Real Estate Services and Special Districts,  
Department of Public Works, City of Sacramento

**CITY OF SACRAMENTO  
NORTH NATOMAS BASIN 8 CFD NO.99-04  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

**LIST OF PROPERTY OWNERS**

<b>Parcel No.</b>	<b>Name of Property Owner</b>	<b>No. of Acres</b>
22500800280000	CAMBAY GROUP INC.	3.55
22500800300000	CAMBAY GROUP INC.	41.72
22500800310000	CAMBAY GROUP INC.	42.97
22500800320000	CAMBAY GROUP INC.	28.59
	<b>SUBTOTAL</b>	<b>116.83 ACRES</b>
22503100190000	GRUPE COMMUNITIES INC.	95.66
	<b>SUBTOTAL</b>	<b>95.66 ACRES</b>
22500300330000	OSE LAND NO . 2	4.05
22500300360000	OSE LAND NO . 2	42.97
22500300380000	OSE LAND NO . 2	14.42
	<b>SUBTOTAL</b>	<b>61.44 ACRES</b>
		273.93

NOTICE OF THE PUBLIC HEARING  
ON THE RESOLUTION OF INTENTION TO ESTABLISH  
THE NORTH NATOMAS BASIN 8C CFD No. 99-04, CITY OF SACRAMENTO  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA  
AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE  
ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE  
FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. ~~99-248~~ (the "Resolution") on May 25, 1999, wherein (a) it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") in the area of the City commonly known as North Natomas Drainage Basins 8C more particularly described in the Resolution, to be known and designated as the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), for the purpose of financing the acquisition and construction of certain public drainage facilities as listed in Exhibit A attached hereto and incorporated herein and made a part hereof (hereinafter referred to as the "Facilities"), and wherein (b) it declared its intention to authorize the levy of a special tax in the Community Facilities District to pay for the acquisition and construction of the Facilities, and that a description of the rate and method of apportionment of such special tax and the manner of collection of such special tax is attached hereto, labeled Exhibit B, and is incorporated herein and made a part hereof. The cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities, all as more particularly described in the Resolution.

NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 29th day of June, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council by the Resolution as the time and place for a public hearing to be held by the Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters set forth in the Resolution, and at such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard,

and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of any of the Facilities proposed therefor, or on any other matters set forth in the Resolution, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing.

NOTICE IS HEREBY FURTHER GIVEN that such public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, such public hearing may be continued from time to time for a period not to exceed six (6) months.

NOTICE IS HEREBY FURTHER GIVEN that the Council may at such public hearing modify the Resolution by eliminating any of the Facilities, or by changing the method and apportionment of such special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the Community Facilities District, except that if the Council proposes to modify the Resolution in a way that will increase the probable special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels of land in the Community Facilities District, and the Council shall receive and consider such report before approving any such modifications or any resolution forming the Community Facilities District which includes such modifications.

NOTICE IS HEREBY FURTHER GIVEN that at the conclusion of such public hearing the Council may abandon the proposed establishment of the Community Facilities District or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District; provided, that if fifty per cent (50%) or more of the registered voters residing within the territory proposed to be included in the Community Facilities District that are not exempt from the special tax, or the owners of one-half (1/2) or more of the area of the land in the territory proposed to be included in the Community Facilities District that are not exempt from the special tax, file written protests against the establishment of the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than such a majority, no further proceedings to establish the Community Facilities District or to levy such special tax shall be taken for a period of one (1) year from the date of such decision,

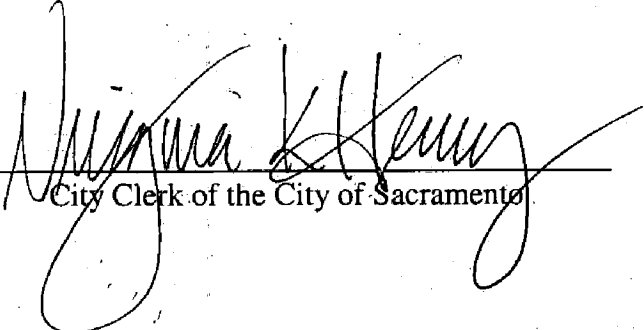
except that if the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of any of the Facilities proposed for the Community Facilities District, those Facilities shall be eliminated from the resolution of formation of the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that if the Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act.

NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District and a copy of the Resolution and the boundary map of the Community Facilities District are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ed Williams, Department of Public Works, Special Districts Division, telephone (916) 264-5440.

DATED: June 11, 1999.

  
\_\_\_\_\_  
City Clerk of the City of Sacramento

AD NO.: 8861  
RUN ONE TIME: 6/1/99  
2 PUB PROOFS

## EXHIBIT A

### North Natomas Drainage Basin 8C CFD No. 99-04

#### List of Eligible Facilities

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The authorized costs of the eligible facilities include all those set forth in Section 53345.3 of the Act, and all costs necessary to administer any Debt, collect and administer the special taxes, and administer the Agency. The special taxes may be levied not only to pay current debt service on outstanding Debt, but also to accumulate funds for future debt service, to pay amounts delinquent on the Debt (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on Debt so long as such proceeds are handled in such a fashion as not to cause the Debt to become arbitrage bonds under the Tax Reform Act of 1986.

Each Tax Zone is independent of another in the determination of the facilities to be financed, and the determination of reimbursement. No Tax Zone is given priority over another in this determination. The following drainage facilities, which are identified in the Master Drainage Plan for Basin 8C, are authorized to be funded with proceeds from the CFD:

- A. Excavation of the detention facility / lake.
- B. Construction of the detention facility / lake including clay liner, and other necessary appurtenances. The cost of the headwall will be eligible provided that it is the cheaper design alternative between a headwall and sloped land. If sloped land is the cheaper alternative, the CFD will only fund this amount towards the cost of the headwall.
- C. Construction of outlet structure to the West Drain Canal, including the drain line, weir/lake structure, and junction boxes.
- D. Drainage Channel / buffer improvements, including excavation.
- E. Land acquisition for the detention facility / lake, as determined by the appraisal for the lake.
- F. Trunk Drain pipes and other appurtenances for conveyance of storm drainage to the detention facility / lake, including manholes, that are defined as "common" trunk pipeline by the City.

- G. Habitat Conservation (HCP) fees for construction of the detention facility / lake.
- H. Dewatering and measures to control groundwater during both construction and operation of the facilities.
- I. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for the above listed facilities.

## EXHIBIT B

City of Sacramento, California  
North Natomas Drainage Basin 8C  
Community Facilities District No. 99-04

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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#### 1. BASIS OF SPECIAL TAX LEVY

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Drainage Community Facilities District No. 99-04 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

#### 2. DEFINITIONS

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or estimated costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants, legal counsel, corporate bond-paying agents, fiscal agents, and bond trustees; the costs of collecting installments of the Special Taxes upon the general tax rolls; cost of arbitrage calculation and arbitrage rebates, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annual Costs" means, for any Fiscal Year, the total of (i) Debt Service for the Calendar Year commencing January 1 of such Fiscal Year through December 31 of the following Fiscal Year; (ii) Administrative Expenses for such Fiscal Year; (iii) any amounts needed to replenish any bond reserve fund for bonds of the City issued for the CFD to the level required under the documents pursuant to which such bonds were issued; (iv) an amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and an amount for anticipated delinquencies for the current Fiscal Year; (v) pay-as-you-go expenditures for authorized facilities to be constructed or acquired by the CFD, less any credit from earnings on the bond reserve fund, less any reimbursements, and/or less any grants/other project funding.

"Assessor" means the Assessor of the County of Sacramento.

"Authorized Facilities" means those improvements, as listed in the Resolution forming the CFD.



**"Base Year"** means the Fiscal Year 1999-2000.

**"Bond Year"** means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

**"CFD"** means the North Natomas Drainage Basin 8C Community Facilities District No. 99-04 of the City of Sacramento, California.

**"City"** means City of Sacramento, California.

**"Condominium Parcel"** means a Developed Parcel with an approved land use for condominiums (more than two attached dwelling units that are owned individually). Parcels that are open space, recreation, clubhouse etc, owned by a Condominium Association or Homeowners Association, are Tax-Exempt Parcels.

**"Council"** means the City Council of the City of Sacramento acting for the CFD under the Act.

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

**"Debt Service"** means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds, notes or certificates of participation of the City for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year.

**"Detached Residential Unit Parcel"** means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit, or a duplex (two units per lot).

**"Developed Parcel"** means a Parcel that has a:

- recorded final small lot subdivision map for residential uses permitting up to 2 units per lot,
- approved special use permit for residential use permitting 3 or more units per lot, or
- approved special use permit for Non-Residential Development.

Once classified as Developed, no Parcel shall be removed from these classifications unless the special use permit expires, is revoked, or is otherwise terminated.

**"Developable Parcel"** means a Parcel created after 1/1/94 by a recorded Master Parcel Map, or other map subdividing the property, but that still requires further subdivision into individual small lots or a special use permit to develop.

**"Development Year"** means the Fiscal Year in which the Parcel changes classification from Developable Parcel to Developed Parcel.

**"Estimated Net Acreage"** means the actual Net Acreage of a Parcel or an approximation of the Net Acreage based upon the total Gross Developable Acres less an allowance for minor streets as indicated in the North Natomas Community Plan.

**"Final Use Parcel"** means a Parcel that has been created by a recorded Master Parcel Map or other recorded Final Subdivision Map and requires no further subdivision in order to achieve its authorized maximum density development under existing zoning or community planned designations. The Parcel will be classified as a Developable Parcel until a special use permit has been issued. If the City cannot determine if a Parcel is to be classified as a Final Use Parcel or a Large Lot Parcel, then the Parcel shall be classified as a Large Lot Parcel.

**"Final Subdivision Map"** means a recorded map designating the final Parcel splits for individual single-family residential Parcels.

**"Fiscal Year"** means the period starting July 1 and ending the following June 30.

**"Gross Acre"** means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

**"Gross Developable Acre"** means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

**"Large-Lot Parcel"** means a Parcel that is created by a recorded Master Parcel Map or recorded Final Subdivision Map, which requires further subdivision or other entitlements and dedications of public land in order to develop.

**"Master Parcel Map"** means a map that subdivides large tracts of land into smaller parcels for the purpose of selling or otherwise transferring the Parcels for further subdivision in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on Non-Residential Parcels.

**"Maximum Annual Special Tax"** means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the relevant acres or units of the Parcel.

**"Maximum Annual Special Tax Rate"** means the amount shown in Attachment 1 for a given Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

**"Maximum Annual Special Tax Revenue"** means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Annual Special Tax Rates.

**"Net Acre"** is the area of a Parcel associated with residential and non-residential uses after dedication of all public uses and rights-of-way.

**"Non-Participating Parcel"** means a Parcel, which is not part of a recorded Master Parcel Map, and does not have authorization from the property owner to be taxed. Any such Parcel shall be a Tax-Exempt Parcel. Any Non-Participating Parcel which subsequently becomes Taxable must be reclassified as a Developable Parcel or a Parcel of higher tax status. Once the Non-Participating Parcel has been reclassified as a Taxable Parcel, it cannot revert to Non-Participating Parcel status.

**"Non-Residential Development"** means a Taxable Parcel designated for retail, commercial, office, industrial, or similar use as defined in the North Natomas Community Plan.

**"Non-Residential Parcel"** means a Developed Parcel with an approved land use for Non-Residential Development.

**"Other Residential Parcel"** means a Developed Parcel with an approved land use for other than Detached Residential Unit Parcel or Condominium Parcel, such as three or more attached residential units owned in common.

**"Parcel"** means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Parcel Number"** means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Prepayment"** means the permanent satisfaction of the entire Special Tax obligation for one or more Parcels by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6. Prepayment may occur before or after the initial bond sale, with differing criteria.

**"Prepayment Parcel"** means a Parcel that has permanently satisfied the entire Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6.

**"Public Parcel"** means any Parcel, in its entirety, that is or is intended to be publicly owned as designated by the City that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways including drainage basins, lakes, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes as described below. Any such Parcel shall be a Tax-Exempt Parcel, except for Taxable parcels that are acquired by a public agency, in which case the Special Tax obligation for such parcels shall be required to be permanently satisfied pursuant to Sections 53317.3 and 53317.5 of the Government Code by the procedure described in Section 6.

**"Special Tax(es)"** mean(s) any tax levy under the Act in CFD.

**"Tax Collection Schedule"** means the document prepared by the City for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

**"Tax Zone"** means the two areas indicated on Attachment 3 as Tax Zone 1 and Tax Zone 2.

**"Taxable Parcel"** means any Parcel that is not a Tax-Exempt Parcel.

**"Tax-Exempt Parcel"** means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below), (ii) Prepayment Parcels, and (iii) Non-Participating Parcels. Certain non-developable privately owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

**"Tentative Subdivision Map"** means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

**"Zone 1 Parcel"** means each Parcel that lies within Tax Zone 1.

**"Zone 2 Parcel"** means each Parcel that lies within Tax Zone 2.

### 3. TERMINATION OF THE SPECIAL TAX

The Special Tax will be levied on and collected from Taxable Parcels in the CFD for as long as needed to pay the principal and interest on debt for the Bonds issued to fund Authorized Facilities. However, in no event shall the Special Tax be levied after Fiscal Year 2035-2036.

When all of the bonds issued to pay for Authorized Facilities have been retired, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

### 4. ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX

A. **Classification of Parcels.** By May 1 of each Fiscal Year, using the Definitions above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or Taxable Parcel.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be identified according to the Tax Zone that it is located in.

3. Each Taxable Parcel to be further classified as a Developed Parcel or Developable Parcel.
4. Each Developable Parcel to be further classified as a Final Use Parcel or Large-Lot Parcel. Developed Parcels will be classified as Final Use Parcels.

B. Assignment of Maximum Annual Special Tax. The City shall assign the appropriate Maximum Annual Special Tax to each Taxable Parcel as follows:

1. Developed and Developable Parcels

Attachment 1 shows the Maximum Special Tax Rates per acre for Developed Parcels and Developable Parcels. Final Use Parcels will be taxed per Net Acre. Final Use Parcels that are residential lots in Tax Zone I will be taxed per unit (see Step 2. below). Large Lot Parcels will be taxed per Gross Developable Acre. [Note: Developed Parcels that are residential Parcels created by Final Subdivision Map or Master Plan Map are assigned a Maximum Annual Special Tax under Step B.2 below.]

2. Residential Parcels

The Maximum Special Tax Rate for a Detached Residential Unit Parcel, and Condominium Parcel shall be determined as follows:

For Tax Zone 1, the Maximum Annual Special Tax per Detached Residential Unit is shown on Attachment 1. In the event that a Condominium Parcel is created in Tax Zone 1, the procedure for setting the Maximum Special Tax for Tax Zone 2 shall be followed.

For Tax Zone 2, the Maximum Annual Special Tax will be calculated by the following steps:

For Detached Residential Units:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Detached Residential Units in the Final Subdivision Map or Master Parcel Map creating the Detached Residential Units.
- b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Detached Residential Units created in the Final Subdivision Map or Master Parcel Map.

For Condominium Parcels:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Condominium Parcels in the Final Subdivision Map or Master Parcel Map creating the Condominium Parcels.
  - b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Condominium Parcels created in the Final Subdivision Map or Master Parcel Map.
- C. Conversion of a Public Parcel to a Taxable Parcel. If a Public Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.
- D. Reclassification of a Non-Participating Parcel from Tax-Exempt status to Taxable status. Once a Non-Participating Parcel records a Master Parcel Map, the Parcel must be reclassified as a Taxable Parcel, and shall be classified as a Developable Parcel, or a Developed Parcel. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.

## 5. CALCULATING ANNUAL SPECIAL TAXES

The City shall compute the Annual Costs for each Tax Zone, and determine the Maximum Annual Special Tax for each parcel based on the assignment in the Special Tax in Section 4. The City will then determine the tax levy for each parcel using the following process:

- A. Compute the Annual Costs using the definitions in Section 2.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
  1. Calculate the available special tax revenues by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
  2. If revenues from taxing Developed Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Developable Parcels up to 100% of their Maximum Annual Special Tax or until the tax levy is set at an amount sufficient to cover the Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.

- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the parcels subject to the tax and their Special Tax assignments.

## 6. PREPAYMENT OF SPECIAL TAX OBLIGATION

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the Prepayment. These calculations are described below.

### CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount for each Tax Zone will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount for each Tax Zone shall be calculated using the following steps.

- Step 1: Determine the total number of acres within Tax Zone 2 for each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres; and determined the total number of Units, and Net Acres in Tax Zone 1. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.

- Gross Acres equal the original Gross Acres at the formation of the CFD.
- If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
- If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.

Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

Step 3: Identify the Tax Zone that the Prepayment Parcel is located in. Calculate the base Prepayment amount per acre (Tax Zones 1 and 2), or per unit (Tax Zone 1 only) of the Prepayment Parcel in the following manner:

Divide the total costs from the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds if bonds have been issued) by each of the three acreage categories in Tax Zone 2, and by Net Acres or units in Tax Zone 1. Multiply the Parcel's total acreage by the appropriate cost per acre (e.g. per Gross Acre, Gross Developable Acre, or Net Acre) or cost per unit to arrive at the base Prepayment amount.

Step 4: For Detached Residential Units in Tax Zone 1 calculate the base Prepayment amount per unit of the Prepayment Parcel as follows: (for Other Residential, Non-Residential Parcels, and Detached Residential Parcels in Tax Zone 2, skip to Step 5)

Divide the Prepayment amount per Net Acre by the average number of lots per Net Acre according to the appropriate lot size for detached residential units (including duplexes) as indicated in Attachment 2.

Step 5: Update Attachment 2 based on the above calculations to reflect the base Prepayment amount per acre for each Tax Zone for the upcoming Fiscal Year. The Attachment 2 included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

#### DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.



**Prior to First Bond Sale (skip to Step 8 if bonds have been sold)**

- Step 6: If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre or per unit for the Tax Zone the Parcel is located in from Column 1 of **Attachment 2** by the Parcel's total acreage or total number of units.
- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 6, the City's administrative cost allocated to each Tax Zone for calculating these amounts.

**Subsequent to the Initial Sale of Bonds**

- Step 8: Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, Column 2 of **Attachment 2** will be used. If all bonds have been sold, Column 3 of **Attachment 2** will be used.
- Step 9: Parcel's base Prepayment amount will be calculated by multiplying the base Prepayment Amount per acre (Tax Zones 1 and 2) or per unit (Tax Zone 1 only) from either Column 2 or 3 of **Attachment 2** by the Parcel's total acreage or total number of units.
- Step 10: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the Prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the Prepayment calculation or the application of the proceeds of the Prepayment, less any amounts creditable from the Reserve Fund.

## **7. RECORDS MAINTAINED FOR THE CFD**

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- the Tax Zone that the Parcel lies in;
- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.
- the Development Year.

The file containing the information listed above will be available for public inspection.

## **8. APPEALS**

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City appealing the levy of the Special Tax. The City will then promptly review the appeal, and if necessary, meet with the applicant. If the City verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD.

**Attachment 1**  
**North Natomas Basin 8C CFD No. 99-04**  
**Maximum Special Tax Rates**

Taxable Parcel	Maximum Tax	Tax Levy
<b><u>Tax Zone 1</u></b>		
<b>Developed Parcels</b>		
Detached Residential Unit Lot Size =>5,000 sq. ft.	\$1,150	per unit
Detached Residential Unit Lot Size <5,000 sq. ft.	\$850	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,000	per net acre
Other Residential Parcel	\$5,000	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,000	per net acre
<b><u>Tax Zone 2</u></b>		
<b>Developed Parcels [1]</b>		
Detached Residential Unit Parcel	[1]	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,100	per net acre
Other Residential Parcel	\$5,100	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,100	per net acre
Large Lot Parcel	\$4,300	per gross developable acre

"attach1"

- [1] The maximum special tax for Detached Residential Units and Condominium Parcels in Tax Zone 2, and Condominium Parcels in Tax Zone 1 shall be calculated following Step 4.B.2 of the Rate and Method of Apportionment.

**Attachment 2**  
**North Natomas Basin 8C CFD No. 99-04**  
**Estimated Base Prepayment Amount 1999\$'s**  
(Amounts shown are subject to change annually)

Item	Column 1	Column 2	Column 3
	Construction Cost Method	Bond Authorization Method	Bond Authorization Method after Last Bond Sale (estimated)
Total Construction and Formation Costs - 1999\$'s	\$7,709,073	\$7,709,073	\$7,709,073
Tax Zone 1 share	\$1,900,152	\$1,900,152	\$1,900,152
Tax Zone 2 share	\$5,808,921	\$5,808,921	\$5,808,921
Estimated Authorized Bonds [1] - Inflated \$'s	n/a	\$12,500,000	\$10,157,373
Tax Zone 1 share 26%		\$3,252,000	\$2,642,873
Tax Zone 2 share 74%		\$9,247,593	\$7,514,500
Tax Zone 1 Base Prepayment [2]			
Lots >= 5,000 sq. ft.	\$8,965	\$15,343	\$12,469
Lots < 5,000 sq. ft.	\$6,626	\$11,340	\$9,216
Net Acre	\$38,898	\$66,572	\$54,103
Tax Zone 2 Base Prepayment [2]			
Gross Acre	\$30,605	\$48,723	\$39,592
Gross Developable Acre	\$36,002	\$57,314	\$46,573
Net Acre	\$42,009	\$66,877	\$54,344
Tax Zone 1 Single Family Units			
Lots >= 5,000 sq. ft.	124		
Lots < 5,000 sq. ft.	119		
Net Acres (estimated) [3]	48.85		
Estimated Tax Zone 2 Acreage			
Gross Acres [3]	189.80		
Gross Developable Acres [3]	161.35		
Net Acres (estimated) [3]	138.28		

"prepayment"

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.  
Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.
- [3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

NOTICE OF THE PUBLIC HEARING  
ON THE RESOLUTION OF INTENTION TO INCUR A  
BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND  
CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE FACILITIES  
IN AND FOR THE NORTH NATOMAS BASIN 8C CFD No. 99-04  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 99-249 (the "Resolution") on May 25, 1999, wherein it declared its intention under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, "being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, to incur a bonded indebtedness in the principal amount of twelve and one-half million dollars (\$12,500,000) to finance the acquisition and construction of certain public drainage facilities therein referred to (the "Facilities") in and for a community facilities district referred to in the Resolution, to be known as the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"). The cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities, all as more particularly described in the Resolution.

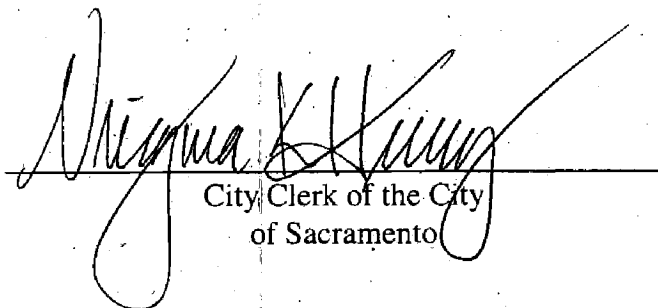
NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 29th day of June, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the incurring of such bonded indebtedness to finance the costs of the acquisition and construction of the Facilities in and for the Community Facilities District, and at such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District for or against the incurrence of such bonded indebtedness, may appear and be heard on the proposed debt issue or on any other matters set forth in the Resolution, and they may present any matters relating to the necessity for incurring such bonded indebtedness to finance the acquisition and construction of the Facilities and to be secured by a special tax to be levied within the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District by the issuance of such bonded indebtedness and a description of the incidental expenses to be financed by such bonded indebtedness and a copy of the Resolution and the boundary map

of the Community Facilities District are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ed Williams, Department of Public Works, Special Districts Division, City of Sacramento, telephone (916) 264-5440.

DATED: June 11, 1999.

  
\_\_\_\_\_  
City Clerk of the City  
of Sacramento

AD NO.: 8860  
RUN ONE TIME: 6/1/99  
2 PUB PROOFS

RECORDING REQUESTED BY:  
Valerie A. Burrowes, City Clerk  
CITY OF SACRAMENTO

WHEN RECORDED, PLEASE RETURN TO:  
Valerie A. Burrowes, City Clerk  
CITY OF SACRAMENTO  
915 I Street, Room 304  
Sacramento, CA 95814  
Telephone: (916) 264-5426

Recorded in the County of Sacramento  
Mark Norris, Clerk/Recorder



66.00

199911180830 2:30pm 11/18/99

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R01 20 7.00 57.00 0.00 0.00 0.00 0.00 0.00  
2.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

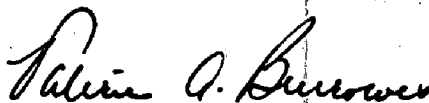
**CORRECTION TO TYPOGRAPHICAL ERROR OF ATTACHMENT TO THE  
NOTICE OF SPECIAL TAX LIEN**


After the bond sale a minor typographical error was detected in the Rate & Method of Apportionment of the Special Tax for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California. A notice was given and acknowledged by all property owners. The corrected Rate & Method of Apportionment of the Special Tax is being filed as an attachment to recorded document 199907130905.

Reference is hereby made to the boundary map of the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, recorded on May 27, 1999, in Book 89 of Maps of Assessment and Community Facilities Districts at Page 34, in the office of the County Recorder of the County of Sacramento, State of California, which map is now the final boundary map of the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact Jim Johnston in the office of the Director of Public Works of the City of Sacramento, at 1231 I Street, Room 300, Sacramento, California 95814 (telephone 916/264-7967).

Dated: October 12, 1999.

  
City Clerk of the City of Sacramento

**CERTIFIED AS TRUE COPY**  
*Correction to typographical error of Attachment to Notice of Special Tax Lien*  
*Specified by Kien 02-16-00*  
**DATE CERTIFIED**  
  
**CITY CLERK, CITY OF SACRAMENTO**

**Attachment 1 (Revised)**  
**North Natomas Basin SC CFD No. 99-04**  
**Maximum Special Tax Rates**

Taxable Parcel	Maximum Tax	Tax Levy
<b>Tax Zone 1</b>		
<b>Developed Parcels</b>		
Detached Residential Unit Lots 1-43, and 151-231 as shown in Attachment 4	\$1,150	per unit
Detached Residential Unit Lots 44-150, and 232-243 as shown in Attachment 4	\$850	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$5,000	per net acre
Other Residential Parcel	\$5,000	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,000	per net acre
<b>Tax Zone 2</b>		
<b>Developed Parcels [1]</b>		
Detached Residential Unit Parcel	[1]	per unit
Condominium Parcel	[1]	per unit
Non-Residential Parcel	\$4,400	per net acre
Other Residential Parcel	\$4,400	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$4,400	per net acre
Large Lot Parcel	\$3,700	per gross developable acre

"attach 1"

[1] The maximum special tax for Detached Residential Units and Condominium Parcels in Tax Zone 2, and Condominium Parcels in Tax Zone 1 shall be calculated following Step 4.B.2 of the Rate and Method of Apportionment.



**Attachment 2 (Revised)**  
**North Natomas Basin SC CFD No. 99-04**  
**Estimated Base Prepayment Amount 1999\$'s**  
(Amounts shown are subject to change annually)

Item		Column 1	Column 2	Column 3
		Construction Cost Method	Bond Authorization Method	Bond Authorization Method after Last Bond Sale (estimated)
		1999 \$		
Total Construction and Formation Costs - 1999\$'s		\$6,187,492	\$6,187,492	\$6,187,492
Tax Zone 1 share	See Figure 7	\$2,004,460	\$2,004,460	\$2,004,460
Tax Zone 2 share	See Figure 7	\$4,183,032	\$4,183,032	\$4,183,032
Estimated Authorized Bonds [1] - Inflated \$'s		n/a	\$12,500,000	\$9,069,673
Tax Zone 1 share	29.1%		\$3,642,000	\$2,642,873
Tax Zone 2 share	70.9%		\$8,857,541	\$6,426,800
Tax Zone 1 Base Prepayment [2]				
Detached Residential Unit Lots 1-43, and 151-231 as shown in Attachment 4		\$9,457	\$17,183	\$12,469
Detached Residential Unit Lots 44-150, and 232-243 as shown in Attachment 4		\$6,990	\$12,700	\$9,216
Net Acre		\$41,034	\$74,556	\$54,103
Tax Zone 2 Base Prepayment [2]				
Gross Acre		\$22,039	\$46,668	\$33,861
Gross Developable Acre		\$25,925	\$54,896	\$39,831
Net Acre		\$30,251	\$64,057	\$46,478
Tax Zone 1 Single Family Units				
Detached Residential Unit Lots 1-43, and 151-231 as shown in Attachment 4		124		
Detached Residential Unit Lots 44-150, and 232-243 as shown in Attachment 4		119		
Net Acres (estimated) [3]		48.8		
Estimated Tax Zone 2 Acreage				
Gross Acres [3]		189.8		
Gross Developable Acres [3]		161.4		
Net Acres (estimated) [3]		138.3		

[1] Determined annually under Step 2 of the Prepayment formula described in Section 6.

[2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.

Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.

[3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

Note: Tax Zone 1 prepayments are higher than Tax Zone 2 because Tax Zone 1 elected to have higher tax rates in order to cover the share of drainage costs apportioned to the multi-family site, and their share of the EC property drainage cost.

EXHIBIT 'A'

RECORDING REQUESTED BY:  
Valerie A. Burrowes, City Clerk  
CITY OF SACRAMENTO

Recorded in the County of Sacramento  
Mark Norris, Clerk/Recorder



60.00

199907130905 12:10pm 07/13/99

WHEN RECORDED, PLEASE RETURN TO:  
Valerie A. Burrowes, City Clerk  
CITY OF SACRAMENTO  
915 I Street, Room 304  
Sacramento, CA 95814  
Telephone: (916) 264-5426

806 30000305 03 22  
R03 18 0 7.00 51.00 0.00 0.00 0.00 2.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### NOTICE OF SPECIAL TAX LIEN

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned City Clerk of the City of Sacramento, County of Sacramento, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Sacramento, County of Sacramento, State of California. The special tax secured by this lien is authorized to be levied for the purpose of: (1) paying principal and interest on bonds, the proceeds of which are being used to finance the acquisition and construction of those certain public capital facilities constituting the excavation for and the construction of a drainage detention facility, including a clay liner and other necessary appurtenances, and the construction of trunk drainage pipelines, an outlet structure and a drainage channel, together with related drainage improvements, in and for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California; and (2) providing such public capital facilities.

The special tax is authorized to be levied within the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, which has now been officially formed, and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and cancelled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax is set forth in Exhibit A attached hereto and incorporated herein and made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax cancelled are set forth in Exhibit A attached hereto and incorporated herein and made a part hereof.

CERTIFIED AS TRUE COPY

OF Notice of Special Tax Lien

08-31-99

DATE CERTIFIED

[Signature]  
Assistant  
CITY CLERK, CITY OF SACRAMENTO


Notice is further given that upon the recording of this notice in the office of the County Recorder of the County of Sacramento, State of California, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, and not exempt from the special tax, as of the date of recording this notice, are as set forth in Exhibit B attached hereto and incorporated herein and made a part hereof.

Reference is hereby made to the boundary map of the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, recorded on May 27, 1999, in Book 89 of Maps of Assessment and Community Facilities Districts at Page 34, in the office of the County Recorder of the County of Sacramento, State of California, which map is now the final boundary map of the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact Jim Johnston in the office of the Director of Public Works of the City of Sacramento, at 1231 I Street, Room 300, Sacramento, California 95814 (telephone 916/264-7967).

Dated: July 9, 1999.

  
\_\_\_\_\_  
City Clerk of the City of Sacramento

*North Natomas Drainage Basin 8C CFD No. 99-04  
Rate and Method of Apportionment 07/02/99*

**"Base Year"** means the Fiscal Year 1999-2000.

**"Bond Year"** means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

**"CFD"** means the North Natomas Drainage Basin 8C Community Facilities District No. 99-04 of the City of Sacramento, California.

**"City"** means City of Sacramento, California.

**"Condominium Parcel"** means a Developed Parcel with an approved land use for condominiums (more than two attached dwelling units that are owned individually). Parcels that are open space, recreation, clubhouse etc, owned by a Condominium Association or Homeowners Association, are Tax-Exempt Parcels.

**"Council"** means the City Council of the City of Sacramento acting for the CFD under the Act.

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

**"Debt Service"** means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds, notes or certificates of participation of the City for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year.

**"Detached Residential Unit Parcel"** means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit, or a duplex (two units per lot).

**"Developed Parcel"** means a Parcel that has a:

- recorded final small lot subdivision map for residential uses permitting up to 2 units per lot,
- approved special use permit for residential use permitting 3 or more units per lot, or
- approved special use permit for Non-Residential Development.

Once classified as Developed, no Parcel shall be removed from these classifications unless the special use permit expires, is revoked, or is otherwise terminated.

**"Developable Parcel"** means a Parcel created after 1/1/94 by a recorded Master Parcel Map, or other map subdividing the property, but that still requires further subdivision into individual small lots or a special use permit to develop.

**"Development Year"** means the Fiscal Year in which the Parcel changes classification from Developable Parcel to Developed Parcel.

**"Estimated Net Acreage"** means the actual Net Acreage of a Parcel or an approximation of the Net Acreage based upon the total Gross Developable Acres less an allowance for minor streets as indicated in the North Natomas Community Plan.

*North Natomas Drainage Basin 8C CFD No. 99-04  
Rate and Method of Apportionment 07/02/99*

**"Final Use Parcel"** means a Parcel that has been created by a recorded Master Parcel Map or other recorded Final Subdivision Map and requires no further subdivision in order to achieve its authorized maximum density development under existing zoning or community planned designations. The Parcel will be classified as a Developable Parcel until a special use permit has been issued. If the City cannot determine if a Parcel is to be classified as a Final Use Parcel or a Large Lot Parcel, then the Parcel shall be classified as a Large Lot Parcel.

**"Final Subdivision Map"** means a recorded map designating the final Parcel splits for individual single-family residential Parcels.

**"Fiscal Year"** means the period starting July 1 and ending the following June 30.

**"Gross Acre"** means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

**"Gross Developable Acre"** means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

**"Large-Lot Parcel"** means a Parcel that is created by a recorded Master Parcel Map or recorded Final Subdivision Map, which requires further subdivision or other entitlements and dedications of public land in order to develop.

**"Master Parcel Map"** means a map that subdivides large tracts of land into smaller parcels for the purpose of selling or otherwise transferring the Parcels for further subdivision in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on Non-Residential Parcels.

**"Maximum Annual Special Tax"** means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the relevant acres or units of the Parcel.

**"Maximum Annual Special Tax Rate"** means the amount shown in Attachment 1 for a given Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

**"Maximum Annual Special Tax Revenue"** means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Annual Special Tax Rates.

**"Net Acre"** is the area of a Parcel associated with residential and non-residential uses after dedication of all public uses and rights-of-way.

**"Non-Participating Parcel"** means a Parcel, which is not part of a recorded Master Parcel Map, and does not have authorization from the property owner to be taxed. Any such Parcel shall be a Tax-Exempt Parcel. Any Non-Participating Parcel which subsequently becomes Taxable must be reclassified as a Developable Parcel or a Parcel of higher tax status. Once the Non-Participating Parcel has been reclassified as a Taxable Parcel, it cannot revert to Non-Participating Parcel status.

**"Non-Residential Development"** means a Taxable Parcel designated for retail, commercial, office, industrial, or similar use as defined in the North Natomas Community Plan.

**"Non-Residential Parcel"** means a Developed Parcel with an approved land use for Non-Residential Development.

**"Other Residential Parcel"** means a Developed Parcel with an approved land use for other than Detached Residential Unit Parcel or Condominium Parcel, such as three or more attached residential units owned in common.

**"Parcel"** means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Parcel Number"** means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**"Prepayment"** means the permanent satisfaction of the entire Special Tax obligation for one or more Parcels by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6. Prepayment may occur before or after the initial bond sale, with differing criteria.

**"Prepayment Parcel"** means a Parcel that has permanently satisfied the entire Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6.

**"Public Parcel"** means any Parcel, in its entirety, that is or is intended to be publicly owned as designated by the City that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways including drainage basins, lakes, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes as described below. Any such Parcel shall be a Tax-Exempt Parcel, except for Taxable parcels that are acquired by a public agency, in which case the Special Tax obligation for such parcels shall be required to be permanently satisfied pursuant to Sections 53317.3 and 53317.5 of the Government Code by the procedure described in Section 6.

**"Special Tax(es)"** mean(s) any tax levy under the Act in CFD.

**"Tax Collection Schedule"** means the document prepared by the City for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

**"Tax Zone"** means the two areas indicated on Attachment 3 as Tax Zone 1 and Tax Zone 2.

**"Taxable Parcel"** means any Parcel that is not a Tax-Exempt Parcel.

**"Tax-Exempt Parcel"** means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below), (ii) Prepayment Parcels, and (iii) Non-Participating Parcels. Certain non-developable privately owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

**"Tentative Subdivision Map"** means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

**"Zone 1 Parcel"** means each Parcel that lies within Tax Zone 1.

**"Zone 2 Parcel"** means each Parcel that lies within Tax Zone 2.

### 3. TERMINATION OF THE SPECIAL TAX

The Special Tax will be levied on and collected from Taxable Parcels in the CFD for as long as needed to pay the principal and interest on debt for the Bonds issued to fund Authorized Facilities. However, in no event shall the Special Tax be levied after Fiscal Year 2035-2036.

When all of the bonds issued to pay for Authorized Facilities have been retired, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

### 4. ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX

A. **Classification of Parcels.** By May 1 of each Fiscal Year, using the Definitions above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or Taxable Parcel.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be identified according to the Tax Zone that it is located in.
3. Each Taxable Parcel to be further classified as a Developed Parcel or Developable Parcel.

*North Natomas Drainage Basin 8C CFD No. 99-04  
Rate and Method of Apportionment 07/02/99*

4. Each Developable Parcel to be further classified as a Final Use Parcel or Large-Lot Parcel. Developed Parcels will be classified as Final Use Parcels.

**B. Assignment of Maximum Annual Special Tax.** The City shall assign the appropriate Maximum Annual Special Tax to each Taxable Parcel as follows:

1. Developed and Developable Parcels

Attachment 1 shows the Maximum Special Tax Rates per acre for Developed Parcels and Developable Parcels. Final Use Parcels will be taxed per Net Acre. Final Use Parcels that are residential lots in Tax Zone I will be taxed per unit (see Step 2. below). Large Lot Parcels will be taxed per Gross Developable Acre. [Note: Developed Parcels that are residential Parcels created by Final Subdivision Map or Master Plan Map are assigned a Maximum Annual Special Tax under Step B.2 below.]

2. Residential Parcels

The Maximum Special Tax Rate for a Detached Residential Unit Parcel, and Condominium Parcel shall be determined as follows:

For Tax Zone 1, the Maximum Annual Special Tax per Detached Residential Unit is shown on Attachment 1. In the event that a Condominium Parcel is created in Tax Zone 1, the procedure for setting the Maximum Special Tax for Tax Zone 2 shall be followed.

For Tax Zone 2, the Maximum Annual Special Tax will be calculated by the following steps:

For Detached Residential Units:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Detached Residential Units in the Final Subdivision Map or Master Parcel Map creating the Detached Residential Units.
- b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Detached Residential Units created in the Final Subdivision Map or Master Parcel Map.



For Condominium Parcels:

- a) Calculate the Maximum Annual Special Tax Revenue for the Net Acres of Condominium Parcels in the Final Subdivision Map or Master Parcel Map creating the Condominium Parcels.
  - b) Divide the Maximum Annual Special Tax Revenue from a) by the total number of Condominium Parcels created in the Final Subdivision Map or Master Parcel Map.
- C. Conversion of a Public Parcel to a Taxable Parcel. If a Public Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.
- D. Reclassification of a Non-Participating Parcel from Tax-Exempt status to Taxable status. Once a Non-Participating Parcel records a Master Parcel Map, the Parcel must be reclassified as a Taxable Parcel, and shall be classified as a Developable Parcel, or a Developed Parcel. The Maximum Annual Special Tax for such a Parcel shall be assigned according to Section 4.A and Section 4.B above.

## 5. CALCULATING ANNUAL SPECIAL TAXES

The City shall compute the Annual Costs for each Tax Zone, and determine the Maximum Annual Special Tax for each parcel based on the assignment in the Special Tax in Section 4. The City will then determine the tax levy for each parcel using the following process:

- A. Compute the Annual Costs using the definitions in Section 2.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
  1. Calculate the available special tax revenues by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
  2. If revenues from taxing Developed Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Developable Parcels up to 100% of their Maximum Annual Special Tax or until the tax levy is set at an amount sufficient to cover the Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.

- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the parcels subject to the tax and their Special Tax assignments.

## 6. PREPAYMENT OF SPECIAL TAX OBLIGATION

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the Prepayment. These calculations are described below.

### CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount for each Tax Zone will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount for each Tax Zone shall be calculated using the following steps.

- Step 1: Determine the total number of acres within Tax Zone 2 for each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres; and determined the total number of Units, and Net Acres in Tax Zone 1. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.

- Gross Acres equal the original Gross Acres at the formation of the CFD.
- If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
- If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.

Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

Step 3: Identify the Tax Zone that the Prepayment Parcel is located in. Calculate the base Prepayment amount per acre (Tax Zones 1 and 2), or per unit (Tax Zone 1 only) of the Prepayment Parcel in the following manner:

Divide the total costs from the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds if bonds have been issued) by each of the three acreage categories in Tax Zone 2, and by Net Acres or units in Tax Zone 1. Multiply the Parcel's total acreage by the appropriate cost per acre (e.g. per Gross Acre, Gross Developable Acre, or Net Acre) or cost per unit to arrive at the base Prepayment amount.

Step 4: For Detached Residential Units in Tax Zone 1 calculate the base Prepayment amount per unit of the Prepayment Parcel as follows: (for Other Residential, Non-Residential Parcels, and Detached Residential Parcels in Tax Zone 2, skip to Step 5)

Divide the Prepayment amount per Net Acre by the average number of lots per Net Acre according to the appropriate lot size for detached residential units (including duplexes) as indicated in Attachment 2.

Step 5: Update Attachment 2 based on the above calculations to reflect the base Prepayment amount per acre for each Tax Zone for the upcoming Fiscal Year. The Attachment 2 included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

#### DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.

*North Natomas Drainage Basin 8C CFD No. 99-04  
Rate and Method of Apportionment 07/02/99*

**Prior to First Bond Sale (skip to Step 8 if bonds have been sold)**

- Step 6:** If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre or per unit for the Tax Zone the Parcel is located in from Column 1 of Attachment 2 by the Parcel's total acreage or total number of units.
- Step 7:** Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 6, the City's administrative cost allocated to each Tax Zone for calculating these amounts.

**Subsequent to the Initial Sale of Bonds**

- Step 8:** Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, Column 2 of Attachment 2 will be used. If all bonds have been sold, Column 3 of Attachment 2 will be used.
- Step 9:** Parcel's base Prepayment amount will be calculated by multiplying the base Prepayment Amount per acre (Tax Zones 1 and 2) or per unit (Tax Zone 1 only) from either Column 2 or 3 of Attachment 2 by the Parcel's total acreage or total number of units.
- Step 10:** Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the Prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the Prepayment calculation or the application of the proceeds of the Prepayment, less any amounts creditable from the Reserve Fund.

## **7. RECORDS MAINTAINED FOR THE CFD**

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- the Tax Zone that the Parcel lies in;
- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.
- the Development Year.

The file containing the information listed above will be available for public inspection.

## **8. APPEALS**

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City appealing the levy of the Special Tax. The City will then promptly review the appeal, and if necessary, meet with the applicant. If the City verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD.



**Attachment 1**  
**North Natomas Basin SC CFD No. 99-04**  
**Maximum Special Tax Rates**

Taxable Parcel	Maximum Tax	Tax Levy
<b>Tax Zone 1</b>		
<b>Developed Parcels</b>		
Detached Residential Unit Lot Size $\geq$ 5,000 sq. ft.	\$1,150	per unit
Detached Residential Unit Lot Size < 5,000 sq. ft.	\$850	per unit
Condominium Parcel	(1)	per unit
Non-Residential Parcel	\$5,000	per net acre
Other Residential Parcel	\$5,000	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$5,000	per net acre
<b>Tax Zone 2</b>		
<b>Developed Parcels (1)</b>		
Detached Residential Unit Parcel	(1)	per unit
Condominium Parcel	(1)	per unit
Non-Residential Parcel	\$4,400	per net acre
Other Residential Parcel	\$4,400	per net acre
<b>Developable Parcels</b>		
Final Use Parcel	\$4,400	per net acre
Large Lot Parcel	\$3,700	per gross developable acre

"attach1"

[1] The maximum special tax for Detached Residential Units and Condominium Parcels in Tax Zone 2, and Condominium Parcels in Tax Zone 1 shall be calculated following Step 4.B.2 of the Rate and Method of Apportionment.

**Attachment 2**  
**North Natomas Basin EC CFD No. 99-04**  
**Estimated Base Prepayment Amount 1999\$'s**  
(Amounts shown are subject to change annually)

Item	Column 1	Column 2	Column 3
	Construction Cost Method 1999 \$	Bond Authorization Method	Bond Authorization Method after Last Bond Sale (estimated)
<b>Total Construction and Formation Costs - 1999\$'s</b>			
Tax Zone 1 share See Figure 7	\$8,187,492	\$8,187,492	\$8,187,492
Tax Zone 2 share See Figure 7	\$2,004,460	\$2,004,460	\$2,004,460
	\$4,183,032	\$4,183,032	\$4,183,032
<b>Estimated Authorized Bonds [1] - Inflated \$'s</b>	n/a		
Tax Zone 1 share 29.1%		\$12,500,000	\$9,069,873
Tax Zone 2 share 70.9%		\$3,642,000	\$2,642,873
		\$8,857,541	\$8,426,800
<b>Tax Zone 1 Base Prepayment [2]</b>			
Lots >= 5,000 sq. ft.	\$9,457	\$17,183	\$12,469
Lots < 5,000 sq. ft.	\$8,990	\$12,700	\$9,218
Net Acres	\$41,034	\$74,558	\$54,103
<b>Tax Zone 2 Base Prepayment [2]</b>			
Gross Acres	\$22,039	\$46,668	\$33,861
Gross Developable Acres	\$25,925	\$54,896	\$39,831
Net Acres	\$30,251	\$64,057	\$48,478
<b>Tax Zone 1 Single Family Units</b>			
Lots >= 5,000 sq. ft.	124		
Lots < 5,000 sq. ft.	119		
Net Acres (estimated) [3]	48.8		
<b>Estimated Tax Zone 2 Acreage</b>			
Gross Acres [3]	189.8		
Gross Developable Acres [3]	181.4		
Net Acres (estimated) [3]	138.3		

Prepayment

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.  
[2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.  
Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.  
[3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

Note: Tax Zone 1 prepayments are higher than Tax Zone 2 because Tax Zone 1 elected to have higher tax rates in order to cover the share of drainage costs apportioned to the multi-family site, and their share of the EC property drainage cost.

90173revd3.12.01 attach 6/10/99



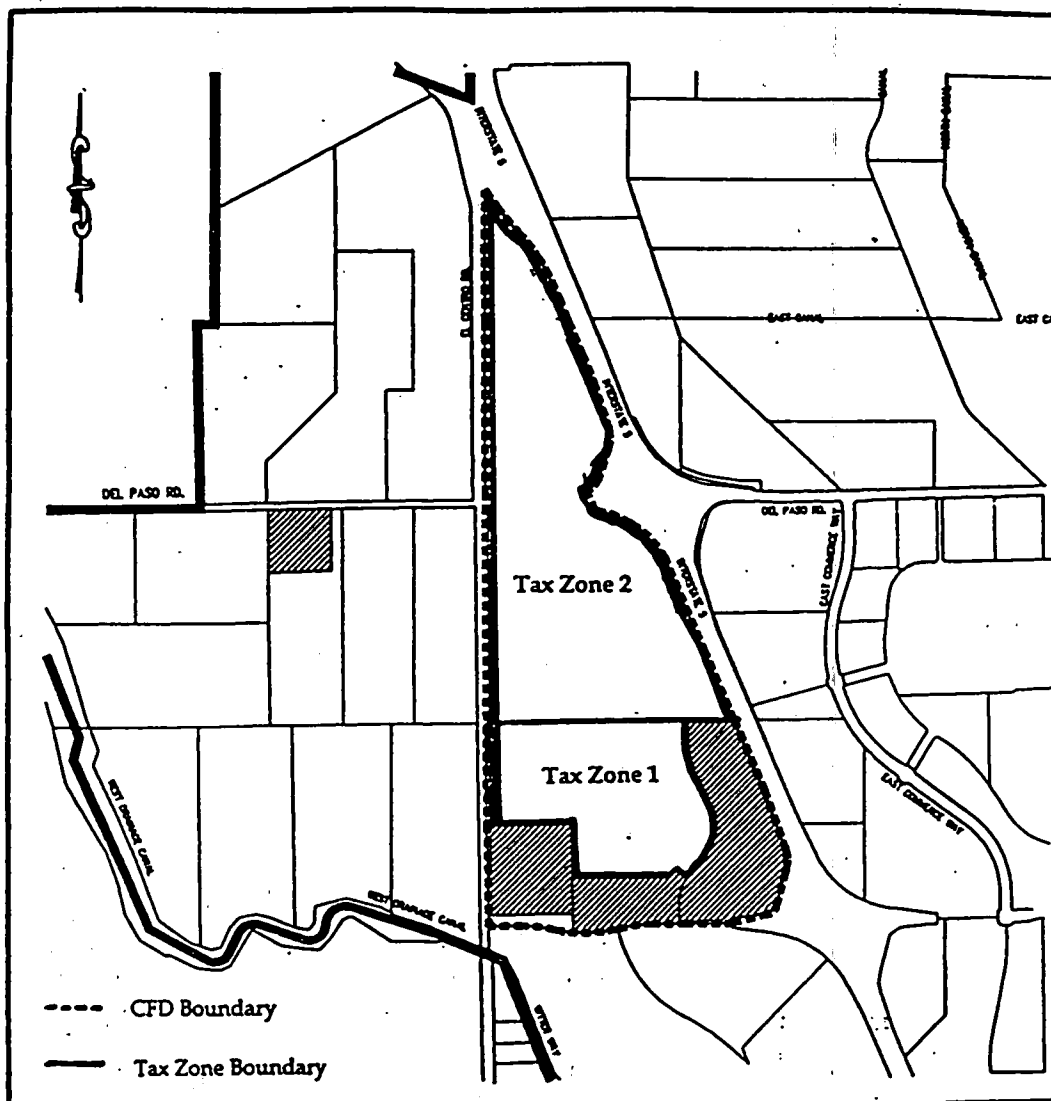
EXHIBIT B

CITY OF SACRAMENTO  
NORTH NATOMAS BASIN 8 CFD NO.99-04  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name of Property Owner</u>	<u>No. of Acres</u>
22500800280000	CAMBAY GROUP INC.	3.55
22500800300000	CAMBAY GROUP INC.	41.72
22500800310000	CAMBAY GROUP INC.	42.97
22500800320000	CAMBAY GROUP INC.	28.59
	<b>SUBTOTAL</b>	<b>116.83 ACRES</b>
22503100190000	GRUPE COMMUNITIES INC.	95.66
	<b>SUBTOTAL</b>	<b>95.66 ACRES</b>
22500300330000	OSE LAND NO.2	4.05
22500300360000	OSE LAND NO.2	42.97
22500300380000	OSE LAND NO.2	14.42
	<b>SUBTOTAL</b>	<b>61.44 ACRES</b>
		<b>273.93</b>

Attachment 3  
North Natomas Basin 8C CFD no. 99-04 Tax Boundries



CAD FILE: NTMAS-AD.DWG

Note:  Excluded from CFD.

THIS IS A TRUE CERTIFIED  
COPY OF THE RECORD IF IT  
BEARS THE SEAL, IMPRINTED  
IN PURPLE INK, OF THE COUNTY  
CLERK/RECORDER.

*Mark Morris*

COUNTY CLERK/RECORDER  
SACRAMENTO CO. CA



FEB 10 2000