



APPROVED
BY THE CITY COUNCIL

AUG 13 1996

OFFICE OF THE
CITY CLERK

4696-100

CITY HALL
515 I STREET
ROOM 200
SACRAMENTO, CA
95814-2608

DEPARTMENT OF
PUBLIC WORKS

SPECIAL DISTRICTS
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

July 26, 1996

PH 916-264-7113
FAX 916-264-5573

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS COMMUNITY FACILITIES DISTRICT 96-05-
RESOLUTION OF INTENTION**

LOCATION AND COUNCIL DISTRICT:

The proposed Community Facilities District (CFD) will include approximately 5,800 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 Approving CFD Boundary Map
- Resolution of Intention to Form CFD (Setting Hearing Date)
- Resolution to Incur Bonded Indebtedness
- Resolution Approving Legal Services

CONTACT PERSON: Edward Williams, Associate Engineer, 264-5440.

FOR COUNCIL MEETING OF: August 13, 1996

SUMMARY:

This report presents a proposal to form a Mello-Roos Community Facilities District (CFD) pursuant to the Mello-Roos Community Facilities District Act of 1982 and the North Natomas Financing Plan adopted by City Council August 9, 1994. The proposed CFD will initially fund drainage improvements that will remove North Natomas from the

City Council
North Natomas Community Facilities District R.O.I
August 13, 1996

internal 100 year flood plain. A second phase will fund a portion of the transportation, community facilities and related public improvements as identified in the North Natomas Finance Plan. The recommended Council action will formally initiate Mello-Roos proceedings and will set a public hearing date of October 8, 1996.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

In August 1994, City Council adopted the North Natomas Financing Plan which identified funding sources for backbone infrastructure and public facilities through buildout of the North Natomas Finance Plan area. A Mello-Roos CFD was identified as a funding source for the Comprehensive Drainage Plan.

The boundary of the proposed CFD as indicated in Exhibit A includes approximately 5,800 acres of land including the existing Arco Arena Sports Complex and the proposed sports stadium site. Exclusions from the district include the existing trailer park, Elixir Industries, Witter Historic Ranch, property owned by public agencies and other miscellaneous parcels.

Improvements to be funded through the CFD include:

- Drainage Facilities described in the North Natomas Comprehensive Drainage Plan (as may be amended) including the Elkhorn Facilities, Levees, channel improvements, pumping plants, land acquisition, engineering, design, administration and legal costs.
- Acquisition of land to provide for initial habitat mitigation as described in the proposed Natomas Basin Habitat Conservation Plan.
- Phase II includes a portion of the facilities identified in the North Natomas Public Facilities Fee program including major roads, freeway improvements, bikeways and shuttles, library facilities, neighborhood and community parks, fire and police facilities, freeway and parkway landscaping and North Natomas planning studies.

City Council
North Natomas Community Facilities District R.O.I
August 13, 1996

CFD Special Election Proceedings

The proposed district will be formed in compliance with the Community Facilities District Act in 1982. As part of the proceedings an 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 2/3 majority is required to finalize the CFD formation. A schedule for the CFD proceedings is provided on Exhibit B.

Property Owner Survey

All property owners were surveyed whether or not they were in favor of forming a CFD for drainage. The survey indicates owners of 68% of the property ownership are in favor of the CFD. Survey results are shown on Exhibit C.

FINANCIAL CONSIDERATIONS:

The estimated Phase I cost of \$16.2 million is itemized as follows:

Drainage Improvements which include construction, engineering, R/W, ect.	\$12,040,000
Underwriter Discount and Professional Services	\$ 810,000
Bond Reserve Fund	\$ 1,450,000
Capitalized Interest	\$ 1,940,000
Interest on Construction Drawdown	<u>(\$80,000)</u>
Total Bond Cost Phase I	\$16,160,000

On a preliminary basis a Phase II bond issue is proposed for facilities identified in the North Natomas Public Facilities Fee Program. Although costs below are inflated by 15 years to the year 2011, the actual construction cost should not exceed \$5,000,000 in 1996 dollars.

Construction, engineering, R/W, ect.	\$ 9,000,000
Underwriter Discount and Professional Services	\$ 560,000
Bond Reserve Fund	\$ 1,010,000
Capitalized Interest	\$ 670,000
Interest on Construction Drawdown	<u>(\$60,000)</u>
Total Bond Cost Phase II	\$11,180,000

City Council
North Natomas Community Facilities District R.O.I
August 13, 1996

City Contribution

District improvements are funded by property owners within the CFD and a contribution by the City who is the owner of the proposed sports stadium site. The estimated City share is \$400,000. Funding recommendations for the City contribution will be included in the staff report for the October 8, 1996 public hearing.

Special Tax Formula

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

Maximum Special Tax Rate

The maximum special tax rates for developed parcels are shown on Exhibit D. The rates escalate 4.0% per year from year one. Once a property is developed, the rate is fixed for the duration of the district. The rates for undeveloped parcels are shown on Exhibit E.

Parcels who wish to annex to the CFD in the future will be subject to a "catch-up tax". The catch-up special tax, by year of annexation, is shown in Exhibit F.

ENVIRONMENTAL CONSIDERATION:

The Council's action initiating proceedings for the formation of this district will have no conceivable effect upon the environment, since the action is preliminary in nature, and does not irretrievably commit the City to any course of action. At the time that this district is presented to the Council for formation, however, the appropriate environmental document relating to the project to be constructed, the North Natomas Comprehensive Drainage Project, will be scheduled for consideration in connection with project approval.

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 Community Facilities District R.O.I
August 13, 1996

Continuing Disclosure

New Securities and Exchange Commission Rule 15c2-12(b)(5) created a requirement that "obligated persons (as defined) provide ongoing disclosure of specified categories of information, in an effort to protect the secondary bond market from a perceived lack of information. The City, as issuer, is clearly an "obligated person". A legal question exists as to whether owners of significant portions of the land within an assessment or tax district (who, therefore, will pay significant portions of the taxes or assessments levied) are within the definition of "obligated persons" and, therefore, are required to provide specified financial information. City staff has joined together with underwriters, bond counsel, and a representative group of landowners for the purpose of developing a set of policies regarding continuing disclosure and compliance with Rule 15c2-12, for presentation to the City Council for Action.

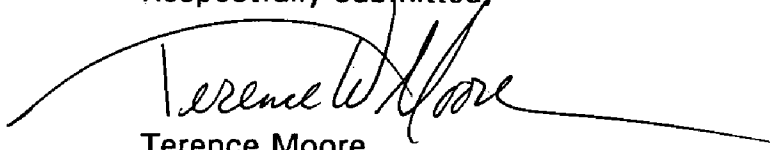
MBE/WBE:

None. No goods or services are being purchased.


Respectfully submitted,


Gary Reents
Engineering Division Manager

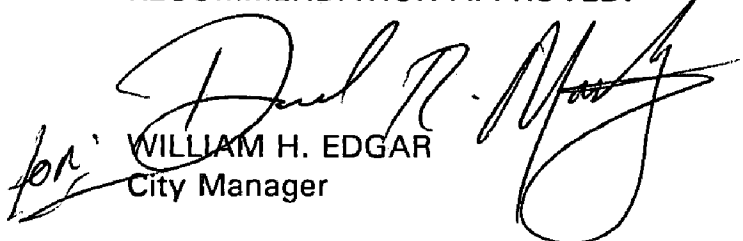
Respectfully submitted,


Terence Moore
Manager, Special Projects

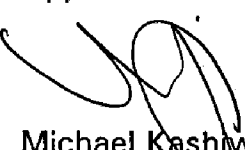
Respectfully submitted,


Gary Alm
Manager, Real Estate Services and
Special Districts

RECOMMENDATION APPROVED:


for WILLIAM H. EDGAR
City Manager

Approved:


Michael Kashiwagi
Director of Public Works

Proposed Boundaries of
NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES DISTRICT NO. 96-05
City of Sacramento, County of Sacramento
State of California
Page 1 of 1



 Excluded from CFD

0 FEET
1000
2000

MAP SCALE: 1" = 1000' (AS SHOWN ON MAP)



COMMUNITY FACILITIES
DISTRICT BOUNDARY

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 ____, 19__

CITY CLERK, CITY OF SACRAMENTO

CLERK'S CERTIFICATE
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
BOUNDARIES OF THE NORTH NATOMAS DRAINAGE COMMUNITY
FACILITIES DISTRICT, 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 ____, 19__, BY ITS
RESOLUTION NO. ____

CITY CLERK, CITY OF SACRAMENTO

COUNTY RECORDER'S FILING STATEMENT
FILED THIS ____ DAY OF ____, 19__, AT THE HOUR OF ____
O'CLOCK ____, 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

EXHIBIT A

**SCHEDULE OF PROCEEDINGS
NORTH NATOMAS MELLO-ROOS CFD**

02-Aug-96

13-Aug-96	City Council - Initiate Formation of Mello-Roos CFD
01-Oct-96	City Council Adopts Standards and Policy Related to Continuing Disclosure Agreement and Requirements of the S.E.C.
08-Oct-96	City Council Public Hearing on District Formation
14-Jan-97	Special Election to Establish District and Authorizing Bonds to be Issued
11-Feb-97	City Council Action To Levy Special Tax
18-Feb-97	Bond Closing
04-Mar-97	Receive Bond Proceeds

Figure 1
North Natomas Drainage CFD
Landowner Survey Results

Owner	Gross Acres	CFD Survey	Yes	% Yes of Total
East of I-5:				
Quadrant 1				
Alleghany Properties	520.9	Y	520.9	8.9%
B & B and Sons Enterprises	77.3		0.0	0.0%
Buzz Oates Enterprises II	82.0	Y	82.0	1.4%
Capitol Realtors Inc	12.7		0.0	0.0%
City of Sacramento	100.4	Y	100.4	1.7%
Dwight Moore Trust	3.6		0.0	0.0%
Elixir Industries	11.3	N	0.0	0.0%
John & Carol Sing	1.6	Y	1.6	0.0%
Kings Arco Arena	83.4	Y	83.4	1.4%
Lucas L. Konandreas	0.7		0.0	0.0%
Olga Machado	8.0		0.0	0.0%
Roy & Patricia Steele	0.5	N	0.0	0.0%
Sacramento Sports Assn.	3.9		0.0	0.0%
Sanwa Bank	99.2	Y	99.2	1.7%
State Venture Inc.	20.8		0.0	0.0%
Winncrest Homes	44.1	Y	44.1	0.8%
Subtotal Quadrant 1	1,070.2		931.5	16.0%
Quadrant 2				
D.W. Ketscher Trust	255.3		0.0	0.0%
JMA Corporation	99.4	Y	99.4	1.7%
Kensington Square	112.8		0.0	0.0%
Kern W. Schumacher	553.0		0.0	0.0%
Lewis Homes of California	108.0	Y	108.0	1.9%
Valley Land Company	934.3	Y	934.3	16.0%
Winncrest Homes	936.0	Y	936.0	16.1%
Subtotal Quadrant 2	2,998.8		2,077.6	35.7%
Total East of I-5	4,068.9		3,009.1	51.6%
West of I-5:				
Quadrant 3				
Dwight Moore Trust	113.3		0.0	0.0%
Gateway Truxel Partnership	139.7	Y	139.7	2.4%
Land Development Co.	451.1	N	0.0	0.0%
Ose Land No. 2	61.4	N	0.0	0.0%
Winncrest Homes	330.7	Y	330.7	5.7%
Subtotal Quadrant 3	1,096.3		470.4	8.1%
Quadrant 4				
Alleghany Properties	257.9	Y	257.9	4.4%
Gateway Truxel Partnership	229.2	Y	229.2	3.9%
Witter Family Properties	174.8	N	0.0	0.0%
Subtotal Quadrant 4	661.9		487.1	8.4%
Total West of I-5	1,758.2		957.5	16.4%
Total	5,827.1		3,966.6	68.1%

EXHIBIT D

Attachment 1

City of Sacramento CFD 96-0105

Maximum Special Tax Rates for Developed Parcels by Development Year

(The tax rate is fixed the year the parcel is classified as a Developed Parcel.)

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential
	June 30	per unit	per unit	per net acre (1)	per unit	per unit	per net acre (1)
1	1998	\$90	\$60	\$800	\$50	\$35	\$450
2	1999	\$94	\$62	\$832	\$52	\$36	\$468
3	2000	\$97	\$65	\$865	\$54	\$38	\$487
4	2001	\$101	\$67	\$900	\$56	\$39	\$506
5	2002	\$105	\$70	\$936	\$58	\$41	\$526
6	2003	\$109	\$73	\$973	\$61	\$43	\$547
7	2004	\$114	\$76	\$1,012	\$63	\$44	\$569
8	2005	\$118	\$79	\$1,053	\$66	\$46	\$592
9	2006	\$123	\$82	\$1,095	\$68	\$48	\$616
10	2007	\$128	\$85	\$1,139	\$71	\$50	\$640
11	2008	\$133	\$89	\$1,184	\$74	\$52	\$666
12	2009	\$139	\$92	\$1,232	\$77	\$54	\$693
13	2010	\$144	\$96	\$1,281	\$80	\$56	\$720
14	2011	\$150	\$100	\$1,332	\$83	\$58	\$749
15	2012	\$156	\$104	\$1,385	\$87	\$61	\$779
16	2013	\$162	\$108	\$1,441	\$90	\$63	\$810
17	2014	\$169	\$112	\$1,498	\$94	\$66	\$843
18	2015	\$175	\$117	\$1,558	\$97	\$68	\$877
19	2016	\$182	\$122	\$1,621	\$101	\$71	\$912
20	2017	\$190	\$126	\$1,685	\$105	\$74	\$948
21	2018	\$197	\$131	\$1,753	\$110	\$77	\$986
22	2019	\$205	\$137	\$1,823	\$114	\$80	\$1,025
23	2020	\$213	\$142	\$1,896	\$118	\$83	\$1,066
24	2021	\$222	\$148	\$1,972	\$123	\$86	\$1,109
25	2022	\$231	\$154	\$2,051	\$128	\$90	\$1,153
26	2023	\$240	\$160	\$2,133	\$133	\$93	\$1,200
27	2024	\$250	\$166	\$2,218	\$139	\$97	\$1,248
28	2025	\$260	\$173	\$2,307	\$144	\$101	\$1,298
29	2026	\$270	\$180	\$2,399	\$150	\$105	\$1,349
30	2027	\$281	\$187	\$2,495	\$156	\$109	\$1,403

(1) Net Acre is the area of the parcel associated with residential and and non-residential uses after dedication of all right-of-way.

EXHIBIT E

Attachment 2
City of Sacramento CFD 96-01
Maximum Special Tax Rates For Undeveloped Parcels

Land Use Category/Description	Special Tax Calculated Per	Maximum Special Tax Rate	
		East of I-5 Parcels	West of I-5 Parcels
Land Use Category 4: Final Map Parcels	Gross Developable Acre	\$690	\$390
Land Use Category 5: Tentative Map & Unmapped Parcels	Gross Acre	\$450	\$250

Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks and other right-of-way.

Attachment 3
City of Sacramento CFD 96-05
One-Time Catch-Up Tax for Annexation Parcels
by Year of Annexation

EXHIBIT F

Annexation Year	Fiscal Year Ending	East of I-5 Annexation Parcels	West of I-5 Annexation Parcels
<i>June 30</i>		<i>One-Time Tax Per Gross Acre</i>	
1	1997	\$0	\$0
2	1998	\$464	\$258
3	1999	\$902	\$508
4	2000	\$1,370	\$774
5	2001	\$1,870	\$1,058
6	2002	\$2,402	\$1,360
7	2003	\$2,970	\$1,682
8	2004	\$3,575	\$2,025
9	2005	\$4,219	\$2,389
10	2006	\$4,905	\$2,777
11	2007	\$5,636	\$3,189
12	2008	\$6,413	\$3,628
13	2009	\$7,241	\$4,094
14	2010	\$8,121	\$4,589
15	2011	\$9,057	\$5,115
16	2012	\$10,052	\$5,675
17	2013	\$11,110	\$6,269
18	2014	\$12,235	\$6,901
19	2015	\$12,967	\$7,314
20	2016	\$13,746	\$7,753
21	2017	\$14,575	\$8,220
22	2018	\$15,457	\$8,716
23	2019	\$16,395	\$9,244
24	2020	\$17,392	\$9,804
25	2021	\$18,453	\$10,400
26	2022	\$19,580	\$11,033
27	2023	\$20,778	\$11,705
28	2024	\$22,051	\$12,418
29	2025	\$23,403	\$13,176
30	2026	\$24,840	\$13,981

1. Catch-Up Special Tax - Parcels, included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. Attachment 3 shows the applicable catch-up tax per gross acre by the year of annexation. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

2. Exempt Parcels - Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax.

However, any Parcels added to the Finance Plan Area which does not concurrently annex to the CFD will be subject to the Catch-up Special Tax. The Catch-Up Special Tax for these Parcels will be based on the difference in the Catch-Up Tax from the year in which annexation to the CFD occurs and the year in which annexation to the Finance Plan Area occurs.

RESOLUTION NO. 96-430

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
AUG 13 1996
OFFICE OF THE
CITY CLERK

**RESOLUTION APPROVING BOUNDARY MAP
NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05**

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

A map entitled "Proposed Boundaries of North Natomas Drainage Community Facilities District No. 96-05, City of Sacramento, County of Sacramento, State of California" has been filed with the City Clerk.

This Council approves the map and adopts the boundaries shown on the map as describing the extent of the territory included in a proposed community facilities district to be known as North Natomas Drainage Community Facilities District No. 96-05, City of Sacramento, County of Sacramento, State of California.

This Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code.

This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map with the County Recorder for placement in the Book of Maps of Assessment and Community Facilities Districts.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 13th day of August, 1996.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 96-431

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
AUG 13 1996
OFFICE OF THE
CITY CLERK

RESOLUTION OF INTENTION TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

1. It is proposed to establish a community facilities district within the City of Sacramento under the terms of the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311. The proposed boundaries of the district are shown on the boundary map on file with the City Clerk and approved by this Council in its Resolution No. 96-431. The Council hereby finds that any property included within the boundary which is currently in agricultural use will nonetheless be benefitted by the proposed facilities.
2. The name of the proposed community facilities district shall be "North Natomas Drainage Community Facilities District No. 96-05, City of Sacramento, County of Sacramento, State of California," ("CFD 96-05").
3. The types of public facilities proposed to be provided within CFD 96-05 are set forth on Exhibit A attached to this Resolution. The Council hereby finds that these facilities are necessitated by new development occurring and anticipated within CFD 96-05.
4. The types of incidental expenses proposed to be incurred are set forth on Exhibit B attached to this Resolution.
5. Except where funds are otherwise available, a special tax sufficient to pay for all such facilities will be annually levied within CFD 96-05. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property within CFD 96-05, and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien cancelled in accordance with law or until

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

collection of the tax by the City ceases. The rate and method of apportionment of the special tax is set forth in Exhibit C attached to this Resolution.

6. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within CFD 96-05, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

7. The Council hereby sets Tuesday, October 8, 1996, at 2:00 p.m., or as soon thereafter as the Council may reach the matter, in the Chambers of the City Council at 915 I Street, Sacramento, California 95814, as the time and place for the public hearing on the establishment of CFD 96-05. At the hearing, testimony concerning the district, the extent of the district or the furnishing of the particular types of public facilities will be heard and protests will be considered from registered voters residing within CFD 96-05 and persons owning real property within CFD 96-05. Written protests by a majority of the registered voters (if at least six such voters protest), or by the owners of a majority of the land which would be subject to special taxation within the proposed CFD 96-05 will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed improvements or proposed special tax, only those elements shall be deleted from the proceedings.

8. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any Resolution Authorizing Issuance of Bonds.

9. It is anticipated that the special tax will be billed as a separate line item on the regular property tax bill. However, this Council reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

10. The staff of the City of Sacramento is directed to study the proposed district and prepare for filing at the public hearing the report required by Section 53321.5 of the Act. The staff may delegate this duty to consultants to perform the study and report preparation.

11. If an election is held in these proceedings, it is the intention of the Council that the electors will be the owners of property within CFD 96-05 pursuant to Section 53326 of the Act.

12. This Council also intends to establish the annual appropriations limit of CFD 96-05 at an amount equal to the maximum annual special tax for the 1997-1998 fiscal year.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

13. The City Clerk is hereby directed to have the Notice of Public Hearing attached to this Resolution as Exhibit D published once in a newspaper of general circulation in the vicinity of CFD 96-05 no later than ten (10) days prior to the public hearing.

14. The City Clerk is hereby directed to mail a copy of the Notice of Public Hearing no later than fifteen (15) days prior to the public hearing, by first-class mail, postage prepaid, to all owners of land within CFD 96-05 as their names and addresses appear on the last County property tax roll.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 13th day of August, 1996.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT A

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05 CITY OF SACRAMENTO COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

List of Eligible Facilities

The authorized costs of the authorized 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.

1. Drainage Facilities described in the North Natomas Comprehensive Drainage Plan (as may be amended) including the Elkhorn facilities, levees, channel improvements, pumping plants, land acquisition, engineering, design, administration and legal costs.
2. Acquisition of land to provide for habitat mitigation as described in the Natomas Basin Habitat Conservation Plan.
3. \$5.0 million (1996\$) as adjusted for inflation for facilities identified in the North Natomas Public Facility Fee program. These facilities include major roads, freeway improvements, bikeways and shuttles, library, neighborhood and community parks, fire and police facilities, freeway and parkway landscaping and planning studies.

EXHIBIT B

Incidental Expenses and Bond Issuance Costs

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

It is anticipated that the following incidental expenses may be incurred in the proposed financing:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services
- Bond counsel out of pocket expenses
- Independent financial advisor services
- Appraiser services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
- Publishing, mailing and posting of notices
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Special disclosure counsel
- Rating agency fees

Certain annual costs may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel costs of the City
- Arbitrage rebate
- Rating agency fees
- Continuing disclosure

Exhibit C

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05 CITY OF SACRAMENTO COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 Community Facilities District No. 96-01 (the "CFD") of 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.

"Annexation Parcel" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Later participation in the CFD requires annexation proceedings.

"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, less any grants/other project funding and/or less the application of any funds available from Prepayments as described in Section 7. The total Annual Costs shall be limited to those necessary to provide the Authorized Facilities.

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

"Authorized Facilities" means those improvements, as listed in Exhibit A to the Resolution of Formation, which can be financed by the CFD.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1997 and ending June 30, 1998.

"Benefit Share" means the Facility Cost Share for a Parcel divided by the Total Project Cost.

"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.

"Bond Share" means the share of bonds assigned to a Parcel as specified in Section 7, Part B, Step 3 of this Rate and Method of Apportionment.

"Catch-up Special Tax" means a one-time special tax assigned to Annexation Parcels as described in Section 5.

"CFD" means the North Natomas Community Facilities District No. 96-05, City of Sacramento, California.

"City" means City of Sacramento, California.

"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.

"Developed Parcel" means a Parcel which has:

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

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

"Development Year" means, for each Developed Parcel, the Fiscal Year in which the Parcel changes classifications from Undeveloped Parcel to Developed Parcel.

"East of I-5 Parcel" means a Parcel located on the east side of Interstate 5.

"Facility Cost Share" means the share of Total Project Costs assigned to a Parcel as specified in Section 7, Part A, Step 5 of this Rate and Method of Apportionment.

"Final Map Parcel" means a Parcel which has:

- an approved large lot final map, or
- an approved final master parcel map.

"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.

"Land Use Category 1" means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit.

"Land Use Category 2" means a Developed Parcel with an approved land use for a duplex (two units per lot) or condominium (more than two attached dwelling units which are owned individually).

"Land Use Category 3" means a Developed Parcel with an approved land use for other than Land Use Category 1 or 2 land uses such as three or more attached residential units owned in common, non-residential uses, or a combination thereof.

"Land Use Category 4" means a Final Map Parcel.

"Land Use Category 5" means a Tentative Map Parcel or an Unmapped Parcel.

"Master Parcel Map" means a map that subdivides large tracts of land into smaller parcels for the purpose of later 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 formula generating the greatest amount of Special Tax that can be levied against a Parcel.

"Maximum Annual Special Tax Rate" means the greatest Special Tax amount, shown in Attachments 1 and 2, that can be used in calculating the Maximum Annual Special Tax for a Parcel.

"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-Residential Development" means a Parcel designated for commercial, office, light industrial or the sports complex as defined in the North Natomas Community Plan.

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

"Public Facility Fee (PFF) Reduction" means the schedule of reductions as specified in Ordinance 96-___ as specified by Council on _____, 1996.

"Prepayment" means the permanent satisfaction of all of the 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 7. Prepayment may occur before and after the initial bond sale, with differing criteria.

"Prepayment Parcel" means a Parcel which has permanently satisfied all of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 7.

"Public Parcel" means any Parcel, in its entirety, that is or is intended to be publicly owned in the North Natomas Community Plan as adopted by the City--or as subsequently 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, 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 7.

"Remediation Parcel" means a Parcel within Assessor Parcel Numbers (APN) 225-015-14, 225-015-15, 225-015-18, 225-015-28, 225-015-30 and 225-015-032 that contain toxics and therefore require cleanup and abatement. A Remediation Parcel shall remain non-taxable until the City declares it to have been remediated. Once declared remediated, that Parcel shall become a Taxable Parcel.

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

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel or a Remediation 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 3.1, below) or (ii) any Prepayment Parcel. 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 Map" means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

"Tentative Map Parcel" means a Parcel which has an approved tentative master parcel map.

"Total Project Cost" means the estimated cost to construct the authorized drainage improvements which will be funded by CFD No. 1996-05.

"Undeveloped Parcel" means a Parcel which is not a Developed Parcel.

"Unmapped Parcel" means a Parcel without an approved tentative master parcel map.

"West of I-5 Parcel" means a Parcel located on the west side of Interstate 5.

3. Determination of Parcels Subject to Special Tax

By May 1, the City shall prepare a list of the Parcels subject to the Special Tax using the records of the County Assessor as of March 1. The City shall identify the Taxable Parcels from a list of all Parcels within the CFD using the procedure described below.

- 1) Exclude all Tax-Exempt Parcels.

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 by the procedure described in Section 7. 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) The remaining Parcels shall be subject to the Special Tax according to the method detailed in Section 5.

4. Termination of the Special Tax

The Special Tax will be levied 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 2029-2030.

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.

5. 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 March 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel, Remediation Parcel or a Taxable Parcel;
2. Each Taxable Parcel to be classified as an East of I-5 Parcel or West of I-5 Parcel.
3. Each East of I-5 Parcel and West of I-5 Parcel to be further classified as a Developed Parcel or Undeveloped Parcel. Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, or is otherwise terminated.
4. Each Developed Parcel will be classified as Land Use Category 1, 2 or 3.
5. Each Undeveloped Parcel will be classified as Land Use Category 4 or 5.

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

1. Developed Parcels

Attachment 1 shows the Maximum Special Tax Rates for Developed Parcels for each Land Use Category. The Maximum Annual Special Tax for a Developed Parcel shall be fixed at the Maximum Special Tax Rate for that Development Year shown in Attachment 1. The only change in the Maximum Annual Special Tax for a Developed Parcel shall be if a Prepayment occurs after the Development Year in accordance with SECTION 7 below.

2. Undeveloped Parcels

Attachment 2 shows the Maximum Special Tax Rates for Undeveloped Parcels for each Land Use Category.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 5.B above.

1. Catch-up Special Tax. Parcels, included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. Attachment 3 shows the applicable catch-up tax per gross acre by the year of annexation. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.
2. Exempt Parcels. Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax.

However, any Parcels added to the Finance Plan Area which does not concurrently annex to the CFD will be subject to the Catch-up Special Tax. The Catch-Up Special Tax for these Parcels will be based on the difference in the Catch-Up Tax from the year in which annexation to the CFD occurs and the year in which annexation to the Finance Plan Area occurs.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt 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 the 5.A and 5.B above and excluded from the provisions of Section 5.C.

6. Calculating Annual Special Taxes

The City shall annually calculate the Special Tax for each Taxable Parcel as follows:

A. Compute the Annual Costs using the definition of Annual Costs in Section 2.

B. Calculate the Special Tax for each Taxable Parcel by the following Steps:

Step 1: Compute the Maximum Annual Special Tax Revenue which could be collected from all Developed Parcels by summing the Maximum Annual Special Tax for each Developed Parcel assigned in Section 5.

Step 2: If the Annual Costs are less than the Maximum Annual Special Tax Revenue from Developed Parcels, decrease proportionately the applicable Maximum Annual Special Tax Rates on each Developed Parcel until the Special Tax revenue equals the Annual Costs. No Special Tax levy is necessary from Undeveloped Parcels.

Step 3: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels as calculated in Step 1, assign the Maximum Special Tax Rate to each Developed Parcel.

- Step 4: If the Maximum Annual Special Tax Revenue from Developed Parcels from Step 3 are insufficient to meet Annual Costs, calculate the Maximum Special Tax Revenue generated from Undeveloped Parcels.
- Step 5: If the Maximum Annual Special Tax Revenue from Developed Parcels and Undeveloped Parcels exceed Annual Costs, decrease proportionately the applicable Maximum Annual Special Tax Rates on each Undeveloped Parcel until the Special Tax revenue from Developed Parcels and Undeveloped Parcels equals the Annual Costs.
- Step 6: If the Annual Costs equal the Maximum Annual Special Tax Revenue from Developed Parcels and Undeveloped Parcels, assign the Maximum Special Tax Rate to each Developed Parcel and Undeveloped Parcel.
- Step 7: If Annual Costs exceed the Maximum Annual Special Tax Revenue from Developed and Undeveloped Parcels, determine which component of Annual Costs can be reduced, excluding Debt Service, and set Annual Costs equal to the Maximum Annual Special Tax Revenue.
- C. Levy on each Taxable Parcel the amount calculated in Steps 1-7 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.

7. 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, and or any Catch-up Special Taxes attributable to that Parcel prior to requesting the calculation of a Prepayment amount.
- 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 Prepayment amount shall be determined by the Part A, Part B or Part C depending upon whether or not bonds have been issued and whether or not building permit fees have been paid.

Part A. Prepayment Prior to Bond Sale

Prepayment is due and payable within 30 days of the bond sale and based on the following steps:

- Step 1: 60 days prior to the sale of bonds, the City will determine the Total Project Cost to be funded by the bonds. The City will then allocate these costs to the East of I-5 and West of I-5 area based on benefit as determined by the City.
- Step 2: The City will estimate the total East of I-5 and West of I-5 net developable acres based on the Community Plan and approved maps.
- Step 3: The City will estimate the "Facility Cost Share" per net developable acre for East of I-5 Parcels and West of I-5 Parcels based on the division of East of I-5 costs by East of I-5 net developable acres and a similar calculation for West of I-5 Parcels.
- Step 4: For each Parcel prepaying its facility cost share, the City will estimate the net developable acres based on approved maps for the parcels and/or the North Natomas Community Plan.
- Step 5: Then the City will multiply the total net developable acres from Step 4 by the applicable facility cost per net developable acre calculated in Step 3 to arrive at the Facility Cost Share for the Parcel.
- Step 6: In addition to the Facility Cost Share, the City will also require a contribution to the security fund for the notes issued related to the Habitat Conservation Plan (HCP) based on 10% of the HCP fee obligation for the parcel(s) prepaying. Payment will be made in cash or by another financial instrument acceptable to the City.
- Step 7: Determine the Prepayment amount by adding the Facility Cost Share per Parcel calculated in Step 5, the contribution towards the HCP security fund, and the City's administration cost for calculating these amounts.

Part B. Prepayment After Bond Sale But Prior to Payment of Building Permit Fees

- Step 1: Determine the Facility Cost Share for the Parcel based on the calculation in Section 7, Part A Sections 1-5.
- Step 2: Divide the facility cost share from Step 1 by the Total Project Cost from Section 7, Part A Step 1 to arrive at the "Benefit Share."
- Step 3: Determine the Bond Share for the Parcel by multiplying the Benefit Share from Step 2 by the total amount of Outstanding Bonds issued by the CFD.

- Step 4: Determine the Reserve Fund Share associated with the Bond Share determined in Step 3 and reduce the Bond Share by the amount of the Reserve Fund Share. The Reserve Fund Share is equal to the reserve requirement on all outstanding bonds multiplied by the Benefit Share.
- Step 5: Determine the Prepayment amount by adding to the amount calculated in Step 4 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, and expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

Part C. Prepayment After Bond Sale and After Payment of Building Permit Fees

- Step 1: Complete prepayment calculations for Parcel utilizing Section 7, Part B, Steps 1-5.
- Step 2: Add to Step 1, the (Public Facility Fee) PFF Reduction for the year the prepayment is occurring.
- Step 3: Determine the Prepayment amount by adding interest to the amount from Step 2, compounded annually from the date the building permit fees were paid, based on the rate at which the Public Facility Fee has been adjusted during that time period.

8. 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 current Parcel Number;
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.

For each Developed Parcel, the City shall further maintain records of:

- the Parcel's Development Year; and
- the amount of the Maximum Annual Special Tax applied in the Parcel's Development Year and each following Fiscal Year.

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

9. 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

City of Sacramento CFD 96-01

Maximum Special Tax Rates for Developed Parcels by Development Year

(The tax rate is fixed the year the parcel is classified as a Developed Parcel.)

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential
	<i>June 30</i>	<i>per unit</i>	<i>per unit</i>	<i>per net acre (1)</i>	<i>per unit</i>	<i>per unit</i>	<i>per net acre (1)</i>
1	1998	\$90	\$60	\$800	\$50	\$35	\$450
2	1999	\$94	\$62	\$832	\$52	\$36	\$468
3	2000	\$97	\$65	\$865	\$54	\$38	\$487
4	2001	\$101	\$67	\$900	\$56	\$39	\$506
5	2002	\$105	\$70	\$936	\$58	\$41	\$526
6	2003	\$109	\$73	\$973	\$61	\$43	\$547
7	2004	\$114	\$76	\$1,012	\$63	\$44	\$569
8	2005	\$118	\$79	\$1,053	\$66	\$46	\$592
9	2006	\$123	\$82	\$1,095	\$68	\$48	\$616
10	2007	\$128	\$85	\$1,139	\$71	\$50	\$640
11	2008	\$133	\$89	\$1,184	\$74	\$52	\$666
12	2009	\$139	\$92	\$1,232	\$77	\$54	\$693
13	2010	\$144	\$96	\$1,281	\$80	\$56	\$720
14	2011	\$150	\$100	\$1,332	\$83	\$58	\$749
15	2012	\$156	\$104	\$1,385	\$87	\$61	\$779
16	2013	\$162	\$108	\$1,441	\$90	\$63	\$810
17	2014	\$169	\$112	\$1,498	\$94	\$66	\$843
18	2015	\$175	\$117	\$1,558	\$97	\$68	\$877
19	2016	\$182	\$122	\$1,621	\$101	\$71	\$912
20	2017	\$190	\$126	\$1,685	\$105	\$74	\$948
21	2018	\$197	\$131	\$1,753	\$110	\$77	\$986
22	2019	\$205	\$137	\$1,823	\$114	\$80	\$1,025
23	2020	\$213	\$142	\$1,896	\$118	\$83	\$1,066
24	2021	\$222	\$148	\$1,972	\$123	\$86	\$1,109
25	2022	\$231	\$154	\$2,051	\$128	\$90	\$1,153
26	2023	\$240	\$160	\$2,133	\$133	\$93	\$1,200
27	2024	\$250	\$166	\$2,218	\$139	\$97	\$1,248
28	2025	\$260	\$173	\$2,307	\$144	\$101	\$1,298
29	2026	\$270	\$180	\$2,399	\$150	\$105	\$1,349
30	2027	\$281	\$187	\$2,495	\$156	\$109	\$1,403

(1) Net Acre is the area of the parcel associated with residential and and non-residential uses after dedication of all right-of-way.

Attachment 2
City of Sacramento CFD 96-01
Maximum Special Tax Rates For Undeveloped Parcels

Land Use Category/Description	Special Tax Calculated Per	Maximum Special Tax Rate	
		East of I-5 Parcels	West of I-5 Parcels
Land Use Category 4: Final Map Parcels	Gross Developable Acre	\$690	\$390
Land Use Category 5: Tentative Map & Unmapped Parcels	Gross Acre	\$450	\$250

Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks and other right-of-way.

Attachment 3
City of Sacramento CFD 96-01
One-Time Catch-Up Tax for Annexation Parcels
by Year of Annexation

Annexation Year	Fiscal Year Ending <i>June 30</i>	East of I-5 Annexation Parcels	West of I-5 Annexation Parcels
		<i>One-Time Tax Per Gross Acre</i>	
1	1997	\$0	\$0
2	1998	\$464	\$258
3	1999	\$902	\$508
4	2000	\$1,370	\$774
5	2001	\$1,870	\$1,058
6	2002	\$2,402	\$1,360
7	2003	\$2,970	\$1,682
8	2004	\$3,575	\$2,025
9	2005	\$4,219	\$2,389
10	2006	\$4,905	\$2,777
11	2007	\$5,636	\$3,189
12	2008	\$6,413	\$3,628
13	2009	\$7,241	\$4,094
14	2010	\$8,121	\$4,589
15	2011	\$9,057	\$5,115
16	2012	\$10,052	\$5,675
17	2013	\$11,110	\$6,269
18	2014	\$12,235	\$6,901
19	2015	\$12,967	\$7,314
20	2016	\$13,746	\$7,753
21	2017	\$14,575	\$8,220
22	2018	\$15,457	\$8,716
23	2019	\$16,395	\$9,244
24	2020	\$17,392	\$9,804
25	2021	\$18,453	\$10,400
26	2022	\$19,580	\$11,033
27	2023	\$20,778	\$11,705
28	2024	\$22,051	\$12,418
29	2025	\$23,403	\$13,176
30	2026	\$24,840	\$13,981

1. Catch-Up Special Tax - Parcels, included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. Attachment 3 shows the applicable catch-up tax per gross acre by the year of annexation. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

2. Exempt Parcels - Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax.

However, any Parcels added to the Finance Plan Area which does not concurrently annex to the CFD will be subject to the Catch-up Special Tax. The Catch-Up Special Tax for these Parcels will be based on the difference in the Catch-Up Tax from the year in which annexation to the CFD occurs and the year in which annexation to the Finance Plan Area occurs.

EXHIBIT D

NOTICE OF PUBLIC HEARING

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

The City of Sacramento (the "City") is considering the formation of a community facilities district (the "CFD") under the authority of the Mello-Roos Community Facilities District Act of 1982, as amended, to finance certain public improvements which will be needed due to new development expected to occur within the boundaries of the CFD. The area initially within the proposed CFD, and the areas which may annex to the CFD in the future, if it is formed, are within the City of Sacramento.

This Notice contains a brief summary of the proposal, but you are referred to the City's Resolution of Intention (No. 96-431, adopted August 13, 1996) and its Resolution to Incur Bonded Indebtedness (No. 96-432, also adopted August 13, 1996) for the definitive description of the proposal.

The proposal is to authorize (1) a special tax within the CFD to repay the bonds, (2) funding for the acquisition and construction of certain authorized public improvements, and (3) the issuance of bonds to finance the public improvement.

(1) The Special Tax for each parcel is the amount necessary to pay the proportionate share of the bonds and administrative costs allocable to that parcel. The exact proposed rate and method of apportionment of the special tax is set forth in the Resolution of Intention available for inspection at the Department of Public Works of the City.

(2) The Improvements to be financed are generally described as follows:

- Drainage Facilities described in the North Natomas Comprehensive Drainage Plan (as may be amended) including the Elkhorn facilities, levees, channel improvements, pumping plants, land acquisition, engineering, design, administration and legal costs.
- Acquisition of land to provide for habitat mitigation as described in the Natomas Basin Habitat Conservation Plan.
- \$5.0 million (1996\$) as adjusted for inflation for facilities identified in the North Natomas Public Facility Fee program. These facilities include major roads, freeway improvements, bikeways and shuttles, library, neighborhood and community parks, fire and police facilities, freeway and parkway landscaping and planning studies.

(3) The proposal also includes authority to issue up to \$16,160,000 in Bonds to be repaid by the annual special tax. Neither the City nor any property outside the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the annual special tax within the CFD.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposal by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing.

The public hearing will be held during the City Council meeting on Tuesday, October 8, 1996 at 2:00 p.m., or as soon thereafter as the City Council may reach the matter, at the Chambers of the City Council at 915 I Street, Sacramento, CA 95814.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the proposed community facilities district, the authorization to levy the special tax, and the authorization to issue the bonds will be heard. If written protests against the proposed CFD are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD (provided the protestors also number at least 6) or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

Questions should be directed to Ed Williams, Department of Public Works, Special Districts Division, telephone (916) 264-5440.

Dated: August 13, 1996

Valerie A. Burrowes,
City Clerk, City of Sacramento

RESOLUTION NO. 96-432

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL

AUG 13 1996

OFFICE OF THE
CITY CLERK

RESOLUTION TO INCUR BONDED INDEBTEDNESS IN NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

1. The Council declares and finds that in order to finance the acquisition and construction of public improvements described in this Council's Resolution No. 96-431, "Resolution of Intention to Form Community Facilities District and Levy a Special Tax," it is necessary to incur a bonded indebtedness.

2. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said public improvements.

3. The maximum amount of the proposed debt is \$16,160,000.00.

4. The Council hereby sets Tuesday, October 8, 1996, at 2:00 p.m., or as soon thereafter as the Council may reach the matter, in the Chambers of the City Council at 915 I Street, Sacramento, California 95814, as the time and place for a hearing by the Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the CFD 96-05, will be heard.

5. It is the intention of this Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982.

* * *

///

///

///

///

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 13th day of August, 1996.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL

AUG 13 1996

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 96-433

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING AGREEMENT FOR LEGAL SERVICES

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES:

This Council approves that certain agreement between the CITY OF SACRAMENTO and ORRICK, HERRINGTON & SUTCLIFFE, for services of that firm as Special Bond Counsel for North Natomas Drainage Community Facilities District No. 96-05, City of Sacramento, County of Sacramento, State of California, dated August 13, 1996. A copy of the agreement is attached to this resolution.

The Mayor is authorized to sign the agreement and the City Clerk is authorized to attest its execution.

* * *

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 13th day of August, 1996.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL
AUG 13 1996
OFFICE OF THE
CITY CLERK

AGREEMENT FOR LEGAL SERVICES

CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

This is an agreement for legal services between the CITY OF SACRAMENTO, a municipal corporation of the State of California, referred to as Client, and ORRICK, HERRINGTON & SUTCLIFFE, San Francisco, California, referred to as Bond Counsel.

1. Client retains Bond Counsel as special counsel to perform the following legal services relating to North Natomas Drainage Community Facilities District No. 96-05 (the "CFD"):

- (a) Preparation of all forms of resolutions, notices, affidavits, and other documents required by the laws governing the financing.
- (b) The preparation of written instructions to Client's Clerk and other staff members concerning the performance of legally-required duties in connection with the financing.
- (c) Review of documents prepared by Client's engineering staff or consulting engineers, including the method of allocation of the special tax.
- (d) Attendance at all public hearings held in the furtherance of the financing (including continuances of the hearings, if any).
- (e) Attendance at all other public meetings of Client at which matters relating to the financing are considered, except routine matters.
- (f) Attendance at staff meetings or meetings of interested citizens, upon the request of the Client, after reasonable notice.
- (g) Telephone consultation with staff members and interested citizens to answer legal questions about the proceedings.
- (h) Coordination with the City Clerk's office in the scheduling and conduct of the election.
- (i) Prosecution to final judgment of a judicial validation action, if such action is deemed necessary, and so long as it remains uncontested.

- (j) Arrangements for the printing of bonds, including the printing of a bond register.
- (k) Assistance with the sale of bonds either by negotiation or by public bid, at the option of Client, including a review of disclosure documents in connection with the offering and, if required, coordination with Client's financial consultant in the preparation of the notice inviting sealed bids. Bond Counsel will give an opinion that the descriptions of the bonds and of Bond Counsel's bond opinion (but not of the Mello-Roos Act itself) in the Official Statement are "accurate in all material respects." Bond Counsel will require a statement in the Official Statement to the effect that Bond Counsel expresses no opinion regarding the accuracy, completeness or fairness of the information contained in the Official Statement.
- (l) The preparation of bond delivery documents and coordination of the closing.
- (m) The rendition of Bond Counsel's usual and customary legal opinion with respect to the validity of the bonds, and, if appropriate, the tax exempt status thereof.
- (n) Preparation of the required reports to the California Debt Advisory Commission (pursuant to Section 8855 et seq. of the Government Code) and to the Internal Revenue Service (pursuant to Section 149 of the Internal Revenue Code of 1986).
- (o) Preparation of a transcript of the legal proceedings in loose-leaf form for the use of the Client.

2. The services of Bond Counsel under this agreement shall not include the following:

- (a) Legal services in connection with the acquisition of interests in real property, either through negotiation or through exercise of the power of eminent domain.
- (b) Legal services in connection with litigation, other than an uncontested validation action.
- (c) Services relating to compliance with environmental laws for the project.
- (d) Bond Counsel services also do not include any responsibility for state blue sky laws or for title to or perfection of security interests in real or personal property. Bond Counsel services do not include any financial advice or analysis. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant. Also, Bond Counsel services will not extend past the date of issuance of the Bonds and will not, for example, include services related to rebate compliance or continuing disclosure.

Barring any conflict not otherwise waived or waivable, Bond Counsel would be willing to perform such excluded services on such terms as might be mutually agreed to

at the time. The performance by Bond Counsel of services excluded by this paragraph, if required by Client, shall be under separate written agreement.

3. In consideration of the services set forth in paragraph 1, Client shall pay to Bond Counsel the following fee and costs:

- (a) The legal fee of Bond Counsel for the first debt issuance shall be an amount equal to one percent (1%) of that portion of debt issuance (including bonds, notes, certificates or other form of debt) not exceeding \$5 million, plus three-quarters of one percent (0.75%) of that portion thereof exceeding \$5 million, but not exceeding \$10 million, plus one-half of one percent (0.5%) of that portion exceeding \$10 million, but not exceeding \$20 million, plus one-quarter of one percent (0.25%) of all amounts exceeding \$20 million, except that the fee shall not be less than \$25,000. For subsequent debt issuances the fee shall be one-half of one percent (0.5%) of that portion of debt issuance not exceed \$10 million, plus one-quarter of one percent (0.25%) of all amounts exceeding \$10 million, except that the fee shall not be less than \$25,000 for each debt issuance, payable upon the successful closing of the debt issuance. If there is no debt issuance, Bond Counsel shall be paid no such fee.
- (b) If a validation action is brought, Bond Counsel shall be paid an additional \$5,000, payable upon the entry of validation judgment. This shall be paid solely from deposits made with Client by the project proponents. If, for any reason, Client is unable to obtain or augment this deposit when called for, Client will terminate all activity on the CFD process, but will not thereby incur any liability under this paragraph (b) beyond amounts held as deposits from the project proponents.
- (c) In addition to the foregoing, Bond Counsel shall be paid \$2,500 for each change proceedings or annexation in which a 100% waiver of election requirements is obtained from the qualified electors, and \$5,000 for each change proceedings or annexation in which a 100% waiver of election requirements is not obtained from the qualified electors. If change or annexation proceedings are abandoned prior to completion, an appropriate portion of the fee shall be paid. This fee shall be due immediately following an unsuccessful election, and following the recordation of the Amended Notice of Special Tax Lien when the election is successful.
- (d) Bond Counsel shall be paid its expenses (copying, telephone, telecopy, word processing, legal research database charges, travel, postage, express delivery service, and the like) as billed, which shall not be more frequently than monthly, but solely from deposits made with Client by the project proponents. If, for any reason, Client is unable to obtain or augment this deposit when called for, Client will terminate all activity on the CFD process, but will not thereby incur any liability under this paragraph (d) beyond amounts held as deposits from the project proponents.

- (e) The cost of some services for which Bond Counsel makes arrangements under this agreement (such as bond printing costs, publication costs and filing fees) shall be billed to the Client and shall be paid by Client directly to the payee.

4. Bond Counsel certifies that it has no interest, either direct or contingent, in any property or contract arising from or affected by the proposed financing, except as Bond Counsel under this agreement. Bond Counsel does not represent any owner of property within the limits of the proposed CFD, and has not received a fee from any source for services connected with the project.

5. This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by Client, shall, at the option of Client, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by Client, Bond Counsel shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the Bonds; provided that Client shall remain liable for any unpaid compensation or reimbursement due under Section 3 hereof. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the Bonds or the Client under this Agreement.

6. The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the historical origin and unique role of bond counsel, and reliance thereon by

the public finance market, Bond Counsel's role as bond counsel under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate. Bond Counsel's function and responsibility under this Agreement, and as bond counsel with respect to the issuance of the Bonds, terminates upon issuance of the Bonds (unless terminated sooner as provided herein). Bond Counsel's services as bond counsel through bond issuance are limited to those contracted for explicitly in this Agreement. Any engagement of Bond Counsel with respect to rebate compliance, post-issuance disclosure or any other matter after Bond issuance shall be separate and distinct from its engagement as bond counsel through bond issuance. However, unless otherwise provided, any such post-issuance engagement with respect to the Bonds shall continue on the same basis set forth in this Section 6.

7. Bond Counsel shall staff the financing project with the following attorneys: Daniel C. Bort. Bond Counsel may use other attorneys and paralegals on the project, who will always be under the direct supervision of Mr. Bort, to provide the most efficient delivery of services and expertise to the financing.

8. Client understands that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Some of these clients may have some direct or indirect relationship with Client or Client's other consultants or agents, as, for example, underwriters, financial advisors, fiscal agents, paying agents, trustees, insurers, suppliers, lenders, bankers, landlords, developers or owners of property within the jurisdiction of Client. Bond Counsel may represent or have represented or in the future may represent the underwriter, fiscal agent or other participants in the financing on other matters. With such varied client representation, there is always the possibility of other transactions between clients or disputes among them. Given the special, limited role of bond

counsel described above, Issuer acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Bond Counsel may have had, have or enter into, and Issuer specifically consents to any and all such relationships; provided, that Bond Counsel does not represent any participant other than Client in connection with the financing which is the subject of this Agreement.

9. Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Client and Bond Counsel any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Client and Bond Counsel.

10. Bond Counsel may not assign its obligations under this Agreement without written consent of Client except to a successor partnership or corporation to which all or substantially all of the assets and operations of Bond Counsel are transferred. Client shall assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Bonds (if not the Client), in which case Client hereby acknowledges that any relationship or obligation of Bond Counsel to Client under or by virtue of this Agreement shall be deemed to be totally annulled *ab initio*. Client shall not otherwise assign its rights and obligations under this Agreement without written consent of Bond Counsel. All references to Bond Counsel and Client in this Agreement shall be deemed to refer to any such successor of Bond Counsel and to any such assignee of Client and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

11. This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

12. Any and all notices pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to Bond Counsel at 400 Sansome Street, San Francisco, CA 94111, Attention: Daniel C. Bort and to Issuer at 915 I Street, Sacramento, CA 95814, Attention: _____. Client and Bond Counsel have executed this Agreement by their duly authorized representatives as of the date provided below.

DATED: August 13, 1996

CITY OF SACRAMENTO,
a municipal corporation of the State of California

By _____
Mayor

ATTEST:

City Clerk

ORRICK, HERRINGTON & SUTCLIFFE

By _____
Daniel C. Bort

APPROVED AS TO FORM:

Sacramento City Attorney

CERTIFICATE OF MAILING
NOTICE OF PUBLIC HEARING

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

The undersigned declares:

On Sept. 19, 1996, the undersigned mailed a copy the
"Notice of Public Hearing" attached hereto as Exhibit A to each owner of real property within
the proposed North Natomas Drainage Community Facilities District No. 96-05, City of
Sacramento, County of Sacramento, State of California, according to the names and addresses
of the owners as they appear on the last equalized assessment roll or as known to the
undersigned. A list of these property owners is attached hereto as Exhibit B.

Executed at Sacramento, California, on Sept 19, 1996.

I declare the foregoing to be true under penalty of perjury.

Valerie A. Burrowes, City Clerk,
City of Sacramento,
County of Sacramento, State of California

By Valerie A. Burrowes

EXHIBIT A

NOTICE OF PUBLIC HEARING

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05

CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

The City of Sacramento (the "City") is considering the formation of a community facilities district (the "CFD") under the authority of the Mello-Roos Community Facilities District Act of 1982, as amended, to finance certain public improvements which will be needed due to new development expected to occur within the boundaries of the CFD. The area initially within the proposed CFD, and the areas which may annex to the CFD in the future, if it is formed, are within the City of Sacramento.

This Notice contains a brief summary of the proposal, but you are referred to the City's Resolution of Intention (No. _____, adopted August 13, 1996) and its Resolution to Incur Bonded Indebtedness (No. _____, also adopted August 13, 1996) for the definitive description of the proposal.

The proposal is to authorize (1) a special tax within the CFD to repay the bonds, (2) funding for the acquisition and construction of certain authorized public improvements, and (3) the issuance of bonds to finance the public improvement.

(1) The Special Tax for each parcel is the amount necessary to pay the proportionate share of the bonds and administrative costs allocable to that parcel. The exact proposed rate and method of apportionment of the special tax is set forth in the Resolution of Intention available for inspection at the Department of Public Works of the City.

(2) The Improvements to be financed are generally described as follows:

- Drainage Facilities described in the North Natomas Comprehensive Drainage Plan (as may be amended) including the Elkhorn facilities, levees, channel improvements, pumping plants, land acquisition, engineering, design, administration and legal costs.
- Acquisition of land to provide for habitat mitigation as described in the Natomas Basin Habitat Conservation Plan.
- \$5.0 million (1996\$) as adjusted for inflation for facilities identified in the North Natomas Public Facility Fee program. These facilities include major roads, freeway improvements, bikeways and shuttles, library, neighborhood and community parks, fire and police facilities, freeway and parkway landscaping and planning studies.

(3) The proposal also includes authority to issue up to \$16,160,000 in Bonds to be repaid by the annual special tax. Neither the City nor any property outside the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the annual special tax within the CFD.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposal by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing.

The public hearing will be held during the City Council meeting on Tuesday, October 8, 1996 at 2:00 p.m., or as soon thereafter as the City Council may reach the matter, at the Chambers of the City Council at 915 I Street, Sacramento, CA 95814.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the proposed community facilities district, the authorization to levy the special tax, and the authorization to issue the bonds will be heard. If written protests against the proposed CFD are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD (provided the protestors also number at least 6) or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

Questions should be directed to Ed Williams, Department of Public Works, Special Districts Division, telephone (916) 264-5440.

Dated: August 13, 1996

Valerie A. Burrowes,
City Clerk, City of Sacramento

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>		
2250070043	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250070049	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250070054	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250070074	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250070075	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250140016	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250140017	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250140019	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250140030	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250140031	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150031	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150033	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150038	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150043	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150044	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150045	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150046	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150047	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150048	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150049	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250150050	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180004	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180005	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180006	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180036	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180037	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180038	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250180039	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250310013	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833
2250310014	ALLEGHANY PROPERTIES	2150 RIVER PLAZA DR. SUITE 155	SACRAMENTO CA	95833

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2010310027	ALLISON PAYNE SMITH	11454 SECRET TOWN CT.	GOLD RIVER CA 95670

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250150014	B & B & SONS ENTERPRISES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815
2250150025	B & B & SONS ENTERPRISES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815
2250150027	B & B & SONS ENTERPRISES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815
2250150028	B & B & SONS ENTERPRISES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250070077	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070078	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070079	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070080	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070081	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070082	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070083	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070084	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070085	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828
2250070086	BUZZ OATES ENTERPRISES II.	8615 ELDER CREEK RD 10	SACRAMENTO CA 95828

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>		
2250150015	CAPITOL REALTORS INC.	8119 SHELDON RD.	ELK GROVE	CA 95834
2250150018	CAPITOL REALTORS INC.	8119 SHELDON RD.	ELK GROVE	CA 95834

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250070076	CITY OF SACRAMENTO	915 I STREET	SACRAMENTO CA 95814

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>		
2250040014	D.W. KETSCHER TRUST	22555 E JENSEN AV	REEDLEY	CA 93654
2250040015	D.W. KETSCHER TRUST	22555 E JENSEN AV	REEDLEY	CA 93654
2250040016	D.W. KETSCHER TRUST	22555 E JENSEN AV	REEDLEY	CA 93654
2250040034	D.W. KETSCHER TRUST	22555 E JENSEN AV	REEDLEY	CA 93654
2250040035	D.W. KETSCHER TRUST	22555 E JENSEN AV	REEDLEY	CA 93654

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250070028	DWIGHT MOORE TRUST	820 LARCH LANE	SACRAMENTO CA 95864
2250080030	DWIGHT MOORE TRUST	820 LARCH LANE	SACRAMENTO CA 95864
2250080031	DWIGHT MOORE TRUST	820 LARCH LANE	SACRAMENTO CA 95864
2250080032	DWIGHT MOORE TRUST	820 LARCH LANE	SACRAMENTO CA 95864

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250140027	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250140028	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250140029	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250310015	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250310016	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250310017	GATEWAY TRUXEL PARTNERSHI	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>
2010300038	JMA CORPORATION	4030 SOUTH LAND PARK DR., SUITE A SACRAMENTO CA 95822
2010300039	JMA CORPORATION	4030 SOUTH LAND PARK DR., SUITE A SACRAMENTO CA 95822
2010300040	JMA CORPORATION	4030 SOUTH LAND PARK DR., SUITE A SACRAMENTO CA 95822
2010300041	JMA CORPORATION	4030 SOUTH LAND PARK DR., SUITE A SACRAMENTO CA 95822

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>		
2250040006	KENSINGTON SQUARE	1010 2ND AVE. SUITE 1421	SAN DIEGO	CA 92101
2250040007	KENSINGTON SQUARE	1010 2ND AVE. SUITE 1421	SAN DIEGO	CA 92101

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2010300016	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300017	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300018	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300026	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300027	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300028	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300029	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2010300061	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030026	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030027	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030028	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030029	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030030	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250030031	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250040017	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250040029	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250040030	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814
2250040032	KERN W. SCHUMACHER	1701 "I" Street, Suite 220	SACRAMENTO CA 95814

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250070059	KINGS ARCO ARENA	1 SPORTS ARENA	SACRAMENTO CA 95834
2250070060	KINGS ARCO ARENA	1 SPORTS ARENA	SACRAMENTO CA 95834
2250070063	KINGS ARCO ARENA	1 SPORTS ARENA	SACRAMENTO CA 95834
2250070067	KINGS ARCO ARENA	1 SPORTS ARENA	SACRAMENTO CA 95834

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250080002	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080003	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080004	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080005	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080007	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080008	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080015	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080016	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080017	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831
2250080018	LAND DEVELOPMENT CO.	300 FLORIN RD	SACRAMENTO CA 95831

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2010310011	LEWIS HOMES OF CALIFORNIA	P.O. BOX 276125	SACRAMENTO CA 95827
2010310012	LEWIS HOMES OF CALIFORNIA	P.O. BOX 276125	SACRAMENTO CA 95827
2010310025	LEWIS HOMES OF CALIFORNIA	P.O. BOX 276125	SACRAMENTO CA 95827

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250030032	OSE LAND NO . 2	P.O. BOX 255543	SACRAMENTO CA 95865
2250030033	OSE LAND NO . 2	P.O. BOX 255543	SACRAMENTO CA 95865
2250030035	OSE LAND NO . 2	P.O. BOX 255543	SACRAMENTO CA 95865
2250030036	OSE LAND NO . 2	P.O. BOX 255543	SACRAMENTO CA 95865
2250030038	OSE LAND NO . 2	P.O. BOX 255543	SACRAMENTO CA 95865

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>
2250150032	SACRAMENTO SPORTS ASSOCI	2101 EVERGREEN ST SACRAMENTO CA 95815

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250070057	SANWA BANK	601 S.FIGUEROA ST.,Flr.#9	LOS ANGELES CA 90017
2250070064	SANWA BANK	601 S.FIGUEROA ST.,Flr.#9	LOS ANGELES CA 90017
2250070070	SANWA BANK	601 S.FIGUEROA ST.,Flr.#9	LOS ANGELES CA 90017
2250070073	SANWA BANK	601 S.FIGUEROA ST.,Flr.#9	LOS ANGELES CA 90017

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250150030	STATE VENTURES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815
2250150036	STATE VENTURES INC.	2101 EVERGREEN ST	SACRAMENTO CA 95815

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2010310017	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2010310018	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2010320022	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2010320023	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250050017	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250050018	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250050019	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250060018	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250060019	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826
2250060020	VALLEY LAND COMPANY	7700 COLLEGE TOWN DRIVE	SACRAMENTO CA 95826

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2010300036	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010300054	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010300055	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010300057	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310001	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310002	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310003	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310004	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310005	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310006	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310008	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310020	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310021	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2010310026	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030007	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030008	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030021	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030044	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030049	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250030052	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040003	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040004	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040005	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040009	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040010	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040018	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040021	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827
2250040025	WINNCREST HOMES	9885 FOLSOM BLVD.	SACRAMENTO CA 95827

EXHIBIT B

**NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 96-05
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

LIST OF NAMES AND ADDRESSES OF PROPERTY OWNERS

<u>Parcel No.</u>	<u>Name</u>	<u>Address</u>	
2250190002	WITTER FAMILY PROPERTIES	501 CROCKER RD	SACRAMENTO CA 95864
2250190003	WITTER FAMILY PROPERTIES	501 CROCKER RD	SACRAMENTO CA 95864
2250220026	WITTER FAMILY PROPERTIES	501 CROCKER RD	SACRAMENTO CA 95864

THE DAILY RECORDER

...Since 1911...

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

SAC. CITY CLERK (SAC)
915 I St., Rm. 304/ V. HENRY
Sacramento. CA 95814

Proof of Publication

(2015.5 C.C.P.)

State of California)
County of Sacramento) ss

AD 8247

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:

08/16/96

EXECUTED ON : 08/16/96
AT LOS ANGELES, CALIFORNIA

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


Signature

This space for filing stamp only

DJC8914946

NOTICE OF PUBLIC HEARING

**NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES
DISTRICT NO. 96-05 CITY OF
SACRAMENTO, COUNTY OF
SACRAMENTO, STATE OF
CALIFORNIA**

The City of Sacramento (the "City") is considering the formation of a community facilities district (the "CFD") under the authority of the Mello-Roos Community Facilities District Act of 1982, as amended, to finance certain public improvements which will be needed due to new development expected to occur within the boundaries of the CFD. The area initially within the proposed CFD, and the areas which may annex to the CFD in the future, if it is formed, are within the City of Sacramento.

This Notice contains a brief summary of the proposal, but you are referred to the City's Resolution of Intention (No. 96-431, adopted August 13, 1996) and its Resolution to Incur Bonded Indebtedness (No. 96-432, also adopted August 13, 1996) for the definitive description of the proposal.

The proposal is to authorize (1) a special tax within the CFD to repay the bonds, (2) funding for the acquisition and construction of certain authorized public improvements, and (3) the issuance of bonds to finance the public improvement.

(1) The **Special Tax** for each parcel is the amount necessary to pay the proportionate share of the bonds and administrative costs allocable to that parcel. The exact proposed rate and method of apportionment of the special tax is set forth in the Resolution of Intention available for inspection at the Department of Public Works of the City.

(2) The **Improvements** to be financed are generally described as follows:

- * Drainage Facilities described in the North Natomas Comprehensive Drainage Plan (as may be amended) including the Elkhorn facilities, levees, channel improvements, pumping plants, land acquisition, engineering, design, administration and legal costs.

- * Acquisition of land to provide for habitat mitigation as described in the Natomas Basin Habitat Conservation Plan.

- * \$5.0 million (1996\$) as adjusted for inflation for facilities identified in the North Natomas Public Facility Fee program. These facilities include major roads, freeway improvements, bikeways and shuttles, library, neighborhood and community parks, fire and police facilities, freeway and parkway landscaping and planning studies.

(3) The proposal also includes authority to issue up to \$18,160,000 in Bonds to be repaid by the annual special tax. Neither the City nor any property outside the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the annual special tax within the CFD.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposal by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing.

The public hearing will be held during the City Council meeting on Tuesday, October 8, 1996 at 2:00 p.m., or as soon thereafter as the City Council may reach the matter, at the Chambers of the City Council at 915 I Street, Sacramento, CA 95814.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the proposed community facilities district, the authorization to levy the special tax, and the authorization to issue the bonds will be heard. If written protests against the proposed CFD are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD (provided the protestors also number at least (6) or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

Questions should be directed to Ed Williams, Department of Public Works, Special Districts Division, telephone (916) 264-5440.

Dated: August 13, 1996
Valerie A. Burrowes,
City Clerk, City of Sacramento
SAC-DJC8914946/AD 8247

08/16

2. Exempt Parcels. Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax:

However, any Parcels added to the Finance Plan Area which do not concurrently annex to the CFD will be subject to the Catch-up Special Tax based on the years between annexation to the Financing Plan Area and annexation to the CFD..

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt 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 the 4.A and 4.B above and excluded from the provisions of Section 4.C. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

E. Development of the City Stadium Parcel or Transfer of the Parcel to a Private Owner. When the City Stadium Parcel is developed or ownership is transferred to a private owner, the City will be required to pay the Special Taxes that it would have paid if it had been classified as an Undeveloped Parcel for each year that Special Taxes were levied on Undeveloped Parcels. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs 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. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
 - Determine if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than annual costs the tax is reduced proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
 - 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 Undeveloped Parcels up to 100% of their Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.
 - If revenues from taxing Developed Parcels and Undeveloped Parcels at 100% of their Maximum Annual Special Taxes are not sufficient, the City will then levy the tax on the City Stadium Parcel up to 100% of its Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.

- If revenues from taxing Developed Parcels, Undeveloped Parcels, and the City Stadium Parcel at 100% of their respective Maximum Annual Special Taxes are not sufficient to pay for the Annual Cost, the City will then proportionately tax Veteran Developed Parcels up to 100% of the Maximum Special Annual Tax until the tax levy is set at an amount sufficient to cover 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, and or any Catch-up Special Taxes attributable to that Parcel. • 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 3)

The base Prepayment amount 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 shall be calculated using the following steps.

Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. 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 plus any acreage that has been annexed into 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; total bond authorization; or total outstanding bonds, if all bonds have been issued.

Step 3: Calculate the base Prepayment amount per acre based on the location of the Prepayment Parcel:

Parcels East of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Multiply the dividend of the previous calculation by a factor of 1.1 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Parcels West of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories; multiply the dividend by a factor of 0.75 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Step 4: Update Attachment 3 based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The Attachment 3 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.

- Step 5: Determine whether the acreage of the Parcel making a Prepayment is Gross Acres, Gross Developable Acres, or Net Acres and determine whether the Parcel is a West of I-5 Parcel or an East of I-5 Parcel.

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

- Step 5: 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 from column 1 of **Attachment 3**--for the appropriate acreage and location category--by the Parcel's total acreage.
- Step 6: In addition to the base Prepayment amount, the City will also require a contribution to the security fund for the notes issued related to the Habitat Conservation Plan (HCP) based on 10% of the HCP fee obligation for the parcel(s) prepaying. Payment will be made in cash or by another financial instrument acceptable to the City.
- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 5, the contribution towards the HCP security fund from Step 6, and the City's administrative cost 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 3** will be used. If all bonds have been sold, column 3 of **Attachment 3** will be used.
- Step 8: Determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from either column 2 or 3 of **Attachment 3**--for the appropriate acreage, location, and bond issuance category--by the Parcel's total acreage.
- Step 9: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 8 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.

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 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.

For each Developed Parcel, the City shall further maintain records of:

- the Parcel's Development Year; and
- the Parcel's net acreage;
- the amount of the Maximum Annual Special Tax applied in the Parcel's Development Year and each following Fiscal 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

City of Sacramento CFD 97-01

Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res/ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res/ Non-Residential
	June 30	per unit	per unit	per net acre (1)	per unit	per unit	per net acre (1)
1	1998	\$90.00	\$60.00	\$800.00	\$63.00	\$42.00	\$560.00
2	1999	\$91.80	\$61.20	\$816.00	\$64.26	\$42.84	\$571.20
3	2000	\$93.64	\$62.42	\$832.32	\$65.55	\$43.70	\$582.62
4	2001	\$95.51	\$63.67	\$848.97	\$66.86	\$44.57	\$594.28
5	2002	\$97.42	\$64.95	\$865.95	\$68.19	\$45.46	\$606.16
6	2003	\$99.37	\$66.24	\$883.26	\$69.56	\$46.37	\$618.29
7	2004	\$101.35	\$67.57	\$900.93	\$70.95	\$47.30	\$630.65
8	2005	\$103.38	\$68.92	\$918.95	\$72.37	\$48.24	\$643.26
9	2006	\$105.45	\$70.30	\$937.33	\$73.81	\$49.21	\$656.13
10	2007	\$107.56	\$71.71	\$956.07	\$75.29	\$50.19	\$669.25
11	2008	\$109.71	\$73.14	\$975.20	\$76.80	\$51.20	\$682.64
12	2009	\$111.90	\$74.60	\$994.70	\$78.33	\$52.22	\$696.29
13	2010	\$114.14	\$76.09	\$1,014.59	\$79.90	\$53.27	\$710.22
14	2011	\$116.42	\$77.62	\$1,034.89	\$81.50	\$54.33	\$724.42
15	2012	\$118.75	\$79.17	\$1,055.58	\$83.13	\$55.42	\$738.91
16	2013	\$121.13	\$80.75	\$1,076.69	\$84.79	\$56.53	\$753.69
17	2014	\$123.55	\$82.37	\$1,098.23	\$86.49	\$57.66	\$768.76
18	2015	\$126.02	\$84.01	\$1,120.19	\$88.22	\$58.81	\$784.14
19	2016	\$128.54	\$85.69	\$1,142.60	\$89.98	\$59.99	\$799.82
20	2017	\$131.11	\$87.41	\$1,165.45	\$91.78	\$61.19	\$815.81
21	2018	\$133.74	\$89.16	\$1,188.76	\$93.61	\$62.41	\$832.13
22	2019	\$136.41	\$90.94	\$1,212.53	\$95.49	\$63.66	\$848.77
23	2020	\$139.14	\$92.76	\$1,236.78	\$97.40	\$64.93	\$865.75
24	2021	\$141.92	\$94.61	\$1,261.52	\$99.34	\$66.23	\$883.06
25	2022	\$144.76	\$96.51	\$1,286.75	\$101.33	\$67.55	\$900.72
26	2023	\$147.65	\$98.44	\$1,312.48	\$103.36	\$68.91	\$918.74
27	2024	\$150.61	\$100.41	\$1,338.73	\$105.43	\$70.28	\$937.11
28	2025	\$153.62	\$102.41	\$1,365.51	\$107.53	\$71.69	\$955.86
29	2026	\$156.69	\$104.46	\$1,392.82	\$109.68	\$73.12	\$974.97
30	2027	\$159.83	\$106.55	\$1,420.68	\$111.88	\$74.59	\$994.47
31	2028	\$163.02	\$108.68	\$1,449.09	\$114.12	\$76.08	\$1,014.36
32	2029	\$166.28	\$110.86	\$1,478.07	\$116.40	\$77.60	\$1,034.65
33	2030	\$169.61	\$113.07	\$1,507.63	\$118.73	\$79.15	\$1,055.34
34	2031	\$173.00	\$115.33	\$1,537.79	\$121.10	\$80.73	\$1,076.45
35	2032	\$176.46	\$117.64	\$1,568.54	\$123.52	\$82.35	\$1,097.98
36	2033	\$179.99	\$119.99	\$1,599.91	\$125.99	\$84.00	\$1,119.94
37	2034	\$183.59	\$122.39	\$1,631.91	\$128.51	\$85.68	\$1,142.34
38	2035	\$187.26	\$124.84	\$1,664.55	\$131.08	\$87.39	\$1,165.18
39	2036	\$191.01	\$127.34	\$1,697.84	\$133.70	\$89.14	\$1,188.49
40	2037	\$194.83	\$129.88	\$1,731.80	\$136.38	\$90.92	\$1,212.26
41	2038	\$198.72	\$132.48	\$1,766.43	\$139.11	\$92.74	\$1,236.50
42	2039	\$202.70	\$135.13	\$1,801.76	\$141.89	\$94.59	\$1,261.23
43	2040	\$206.75	\$137.83	\$1,837.80	\$144.73	\$96.48	\$1,286.46

dev_tax

(1) Net Acre is the area of the parcel associated with residential and
and non-residential uses after dedication of all right-of-way.

Attachment 2
City of Sacramento CFD 97-01
Maximum Special Tax Rates for Undeveloped Parcels

Fiscal Year Ending	Maximum Special Tax East of I-5		Maximum Special Tax West of I-5	
	Land Use Category:		Land Use Category:	
	4	5	4	5
	Final Map Parcels	Tentative Map Unmapped &	Final Map Parcels	Tentative Map Unmapped &
June 30	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>
1998	\$650.00	\$500.00	\$460.00	\$350.00
1999	\$663.00	\$510.00	\$469.20	\$357.00
2000	\$676.26	\$520.20	\$478.58	\$364.14
2001	\$689.79	\$530.60	\$488.16	\$371.42
2002	\$703.58	\$541.22	\$497.92	\$378.85
2003	\$717.65	\$552.04	\$507.88	\$386.43
2004	\$732.01	\$563.08	\$518.03	\$394.16
2005	\$746.65	\$574.34	\$528.40	\$402.04
2006	\$761.58	\$585.83	\$538.96	\$410.08
2007	\$776.81	\$597.55	\$549.74	\$418.28
2008	\$792.35	\$609.50	\$560.74	\$426.65
2009	\$808.19	\$621.69	\$571.95	\$435.18
2010	\$824.36	\$634.12	\$583.39	\$443.88
2011	\$824.36	\$634.12	\$583.39	\$443.88
2012	\$824.36	\$634.12	\$583.39	\$443.88
2013	\$824.36	\$634.12	\$583.39	\$443.88
2014	\$824.36	\$634.12	\$583.39	\$443.88
2015	\$824.36	\$634.12	\$583.39	\$443.88
2016	\$824.36	\$634.12	\$583.39	\$443.88
2017	\$824.36	\$634.12	\$583.39	\$443.88
2018	\$824.36	\$634.12	\$583.39	\$443.88
2019	\$824.36	\$634.12	\$583.39	\$443.88
2020	\$824.36	\$634.12	\$583.39	\$443.88
2021	\$824.36	\$634.12	\$583.39	\$443.88
2022	\$824.36	\$634.12	\$583.39	\$443.88
2023	\$824.36	\$634.12	\$583.39	\$443.88
2024	\$824.36	\$634.12	\$583.39	\$443.88
2025	\$824.36	\$634.12	\$583.39	\$443.88
2026	\$824.36	\$634.12	\$583.39	\$443.88
2027	\$824.36	\$634.12	\$583.39	\$443.88
2028	\$824.36	\$634.12	\$583.39	\$443.88
2029	\$824.36	\$634.12	\$583.39	\$443.88
2030	\$824.36	\$634.12	\$583.39	\$443.88
2031	\$824.36	\$634.12	\$583.39	\$443.88
2032	\$824.36	\$634.12	\$583.39	\$443.88
2033	\$824.36	\$634.12	\$583.39	\$443.88
2034	\$824.36	\$634.12	\$583.39	\$443.88
2035	\$824.36	\$634.12	\$583.39	\$443.88
2036	\$824.36	\$634.12	\$583.39	\$443.88
2037	\$824.36	\$634.12	\$583.39	\$443.88
2038	\$824.36	\$634.12	\$583.39	\$443.88
2039	\$824.36	\$634.12	\$583.39	\$443.88
2040	\$824.36	\$634.12	\$583.39	\$443.88

undev_tax

(1) Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

(2) Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks, and other right-of-way.

Attachment 3

City of Sacramento CFD 97-01

Estimated Base Prepayment Amount

(Amounts shown are subject to change annually)

	Column 1	Column 2	Column 3
	Prior to 1st Bond Sale	Between 1st & Last Bond Sale	After Last Bond Sale
	1996\$	Inflated \$	Inflated \$
Construction Cost - 1996 \$ [1]	\$24,775,000	\$24,775,000	\$24,775,000
Estimated Bonds - Inflated \$ [1]	n/a	\$35,000,000 authorization	\$32,050,000 estimated
East of I-5 Base Prepayment [2]			
Gross Acre	\$4,677	\$6,112	\$5,597
Gross Developable Acre	\$6,414	\$8,381	\$7,675
Net Acre	\$7,485	\$9,781	\$8,957
West of I-5 Base Prepayment [2]			
Gross Acre	\$3,189	\$4,167	\$3,816
Gross Developable Acre	\$4,373	\$5,715	\$5,233
Net Acre	\$5,103	\$6,669	\$6,107
Initial CFD Acreage			
Gross Acres [3]	5,827		
Gross Developable Acres [3]	4,249		
Net Acres [3]	3,641		

Notes: Assumes 7.5% reserve fund credit.

prepayment

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Step 3 of the Prepayment formula described in Section 6. Add to these amounts the additional costs described under Steps 6 and 9 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 PUBLIC HEARING
ON RESOLUTION OF INTENTION TO INCUR
A BONDED INDEBTEDNESS TO FINANCE
THE ACQUISITION AND CONSTRUCTION OF
CERTAIN PUBLIC FACILITIES IN AND FOR
THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES DISTRICT NO. 97-01

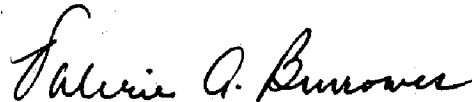
NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 97-036 (the "Resolution") on January 28, 1997, wherein it declared its intention under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act 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 thirty-five million dollars (\$35,000,000) to finance the acquisition and construction of certain public facilities in and for a community facilities district referred to in the Resolution, to be known as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01" (the "Community Facilities District"), which facilities are generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor and the acquisition of land for habitat mitigation (collectively, 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 taxes or the collection or payment of any 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 4th day of March, 1997, 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 on its intention to incur 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.

DATED: January 28, 1997.



City Clerk of the City
of Sacramento

CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH
REQUIREMENTS FOR PUBLISHING
NOTICE OF PUBLIC HEARING,
ON RESOLUTION OF INTENTION TO ESTABLISH THE
CITY OF SACRAMENTO
NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01

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. 97-035 (the
"Resolution") adopted by the City Council of the City of
Sacramento on January 28, 1997, she complied with the
requirements for publishing a Notice of Public Hearing on the
resolution of intention to establish the City of Sacramento
North Natomas Drainage Community Facilities District No. 97-01,
(the "Community Facilities District"), as required by Section 12
of the Resolution, by causing a copy of said 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 said notice as annexed to said affidavit was duly published one time on February ^{4th} 1997.

Talene G. Burrone

City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 12th day of February, 1997.

Lynne Price

NOTARY PUBLIC
State of California
County Of Sacramento

[Notarial Seal]



EXHIBIT A

[ATTACH AFFIDAVIT OF PUBLICATION OF N-1]

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
CITY CLERKS OFFICE
CITY OF SACRAMENTO

FEB 6 2 20 PM '97

SAC. CITY CLERK PO# 707006099
915 I St., Rm. 304/ V. HENRY
Sacramento CA 95814

DJC8916414

Proof of Publication

(2015.5 C.C.P.)

State of California)
County of Sacramento) ss

AD 8379

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 12, 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:

02/04/97

EXECUTED ON : 02/04/97
AT LOS ANGELES, CALIFORNIA

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

C. Brambila
Signature

S
A
S
H
E
X
H
A
JE
A
JC
XI
2E

NOTICE OF PUBLIC HEARING
ON RESOLUTION OF INTENTION TO ESTABLISH
THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES DISTRICT NO. 97-01
AND TO LEVY A SPECIAL TAX TO FINANCE THE ACQUISITION
AND CONSTRUCTION OF CERTAIN PUBLIC 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. 97-035 (the "Resolution") on January 28, 1997, 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"), comprising the territory in the City (located in the area of the City commonly known as North Natomas) more particularly described in the Resolution, to be known and designated as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01" (the "Community Facilities District"), for the purpose of financing the acquisition and construction of those certain public facilities generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor and the acquisition of land for habitat mitigation (collectively, the "Facilities"), and wherein (b) it declared its intention to authorize the levy of a special tax 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 A, 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 taxes or the collection or payment of any 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 4th day of March, 1997, 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 all interested persons, 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 and 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 and 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 and 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.

DATED: January 28, 1997.

Talera G. Burrows
City Clerk of the City of Sacramento

City of Sacramento, California
North Natomas Community Plan
Community Facilities District No. 97-01

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 Community Facilities District No. 97-01 (the "CFD") of 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.

"**Annexation Parcel**" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Later participation in the CFD requires annexation proceedings.

"**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, less any grants/other project funding and/or less the application of any funds available from Prepayments as described in Section 6. The total Annual Costs shall be limited to those necessary to provide the Authorized Facilities.

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

"Authorized Facilities" means those improvements, as listed in Exhibit A to the Resolution of Formation, which can be financed by the CFD.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1997 and ending June 30, 1998.

"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.

"Catch-up Special Tax" means a one-time special tax assigned to Annexation Parcels as described in Section 4.

"CFD" means the North Natomas Community Facilities District No. 97-01, City of Sacramento, California.

"City" means City of Sacramento, California.

"City Stadium Parcel" means the City-owned parcel with assessor's parcel number 225-0070-076 designated in the Community Plan as a sports stadium. This Parcel shall be classified into Land Use Category 5 until it is certified as a Developed Parcel by the City or is transferred to a private owner. For this Parcel, Developed Parcel means that an occupancy permit has been issued. Once the Parcel is a Developed Parcel, it will be treated as Land Use Category 3 and taxed the same as other Developed Parcels. The Parcel will not be considered an Undeveloped Parcel for the purpose of calculating the annual levy as described in Section 5. If transferred to a private owner, the Parcel will be treated like any other Taxable Parcel.

"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.

"Developed Parcel" means a Parcel which has:

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

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

"Development Year" means, for each Developed Parcel, the Fiscal Year in which the Parcel changes classifications from Undeveloped Parcel to Developed Parcel.

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

"East of I-5 Parcel" means a Parcel located on the east side of Interstate 5.

"Final Map Parcel" means a Parcel which has:

- an approved large lot final map, or
- an approved final master parcel map.

"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.

"Land Use Category 1" means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit.

"Land Use Category 2" means a Developed Parcel with an approved land use for a duplex (two units per lot) or condominium (more than two attached dwelling units which are owned individually).

"Land Use Category 3" means a Developed Parcel with an approved land use for other than Land Use Category 1 or 2 land uses such as three or more attached residential units owned in common, non-residential uses, or a combination thereof.

"Land Use Category 4" means a Final Map Parcel.

"Land Use Category 5" means a Tentative Map Parcel or an Unmapped Parcel.

"Master Parcel Map" means a map that subdivides large tracts of land into smaller parcels for the purpose of later 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 either **Attachments 1 or 2** for a 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-Residential Development" means a Parcel designated for commercial, office, light industrial or the sports complex as defined in the North Natomas Community Plan.

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

"Prepayment" means the permanent satisfaction of all of the 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 which has permanently satisfied all of the 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 in the North Natomas Community Plan as adopted by the City--or as subsequently 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, 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.

"Remediation Parcel" means a Parcel within Assessor Parcel Numbers (APN) 225-015-14, 225-015-15, 225-015-18, 225-015-28, 225-015-30 and 225-015-032 that contain toxics and therefore require cleanup and abatement. A Remediation Parcel shall remain non-taxable until the City declares it to have been remediated. Once declared remediated, that Parcel shall become a Taxable Parcel.

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

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel or a Remediation 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) or (ii) any Prepayment Parcel. 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 Map" means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

"Tentative Map Parcel" means a Parcel which has an approved Tentative Master Parcel Map or an approved Tentative Map.

"Undeveloped Parcel" means a Parcel which is not a Developed Parcel.

"Unmapped Parcel" means a Parcel without an approved tentative master parcel map.

"Veteran Developed Parcel" means a Parcel which had been classified as a Developed Parcel for thirty years. After 30 years of being subject to the Special Tax as a Developed Parcel, the Veteran Developed Parcel is only subject to the Special Tax if there is a shortfall in the revenues generated from all other Taxable Parcels to pay for the Annual Cost of the CFD.

"West of I-5 Parcel" means a Parcel located on the west side of Interstate 5.

3. Termination of the Special Tax

The Special Tax will be levied 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 2039-2040.

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, Remediation Parcel, or a 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 classified as an East of I-5 Parcel or West of I-5 Parcel.
3. Each East of I-5 Parcel and West of I-5 Parcel to be further classified as a Developed Parcel, Veteran Developed Parcel or Undeveloped Parcel. Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, is otherwise terminated, or the Parcel is classified as a Veteran Developed Parcel.
4. Each Developed Parcel or Veteran Developed Parcel will be classified as Land Use Category 1, 2 or 3.
5. Each Undeveloped Parcel will be classified as Land Use Category 4 or 5.

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

1. Developed Parcels and Veteran Developed Parcels

Attachment 1 shows the Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels for each Land Use Category by Fiscal Year. The only change in the Maximum Annual Special Tax for a Developed Parcel shall be if a Prepayment occurs after the Development Year in accordance with Section 6 below.

2. Undeveloped Parcels

Attachment 2 shows the Maximum Special Tax Rates for Undeveloped Parcels for each Land Use Category by Fiscal Year.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 4.B above.

1. Catch-up Special Tax. Parcels included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. The catch-up special tax will be set equal to sum of the applicable Maximum Special Tax per Acre for Land Use Category 5 for the prior ten Fiscal Years in which the special tax was levied for Undeveloped Parcels times the gross acres of the annexing Parcel. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

2. Exempt Parcels. Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax.

However, any Parcels added to the Finance Plan Area which do not concurrently annex to the CFD will be subject to the Catch-up Special Tax based on the years between annexation to the Financing Plan Area and annexation to the CFD..

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt 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 the 4.A and 4.B above and excluded from the provisions of Section 4.C. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

E. Development of the City Stadium Parcel or Transfer of the Parcel to a Private Owner. When the City Stadium Parcel is developed or ownership is transferred to a private owner, the City will be required to pay the Special Taxes that it would have paid if it had been classified as an Undeveloped Parcel for each year that Special Taxes were levied on Undeveloped Parcels. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs 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. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
 - Determine if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than annual costs the tax is reduced proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
 - 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 Undeveloped Parcels up to 100% of their Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.
 - If revenues from taxing Developed Parcels and Undeveloped Parcels at 100% of their Maximum Annual Special Taxes are not sufficient, the City will then levy the tax on the City Stadium Parcel up to 100% of its Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.

- If revenues from taxing Developed Parcels, Undeveloped Parcels, and the City Stadium Parcel at 100% of their respective Maximum Annual Special Taxes are not sufficient to pay for the Annual Cost, the City will then proportionately tax Veteran Developed Parcels up to 100% of the Maximum Special Annual Tax until the tax levy is set at an amount sufficient to cover 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, and or any Catch-up Special Taxes attributable to that Parcel. • 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 3)

The base Prepayment amount 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 shall be calculated using the following steps.

- Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. 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 plus any acreage that has been annexed into 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, total bond authorization, or total outstanding bonds, if all bonds have been issued.
- Step 3: Calculate the base Prepayment amount per acre based on the location of the Prepayment Parcel:

Parcels East of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Multiply the dividend of the previous calculation by a factor of 1.1 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Parcels West of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories; multiply the dividend by a factor of 0.75 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

- Step 4: Update Attachment 3 based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The Attachment 3 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.

- Step 5: Determine whether the acreage of the Parcel making a Prepayment is Gross Acres, Gross Developable Acres, or Net Acres and determine whether the Parcel is a West of I-5 Parcel or an East of I-5 Parcel.

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

- Step 5: 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 from column 1 of **Attachment 3**--for the appropriate acreage and location category--by the Parcel's total acreage.

- Step 6: In addition to the base Prepayment amount, the City will also require a contribution to the security fund for the notes issued related to the Habitat Conservation Plan (HCP) based on 10% of the HCP fee obligation for the parcel(s) prepaying. Payment will be made in cash or by another financial instrument acceptable to the City.

- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 5, the contribution towards the HCP security fund from Step 6, and the City's administrative cost 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 3** will be used. If all bonds have been sold, column 3 of **Attachment 3** will be used.

- Step 8: Determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from either column 2 or 3 of **Attachment 3**--for the appropriate acreage, location, and bond issuance category--by the Parcel's total acreage.

- Step 9: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 8 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.

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 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.

For each Developed Parcel, the City shall further maintain records of:

- the Parcel's Development Year; and
- the Parcel's net acreage;
- the amount of the Maximum Annual Special Tax applied in the Parcel's Development Year and each following Fiscal 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

City of Sacramento CFD 97-01

Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential
	June 30	per unit	per unit	per net acre (1)	per unit	per unit	per net acre (1)
1	1998	\$90.00	\$60.00	\$800.00	\$63.00	\$42.00	\$560.00
2	1999	\$91.80	\$61.20	\$816.00	\$64.26	\$42.84	\$571.20
3	2000	\$93.64	\$62.42	\$832.32	\$65.55	\$43.70	\$582.62
4	2001	\$95.51	\$63.67	\$848.97	\$66.86	\$44.57	\$594.28
5	2002	\$97.42	\$64.95	\$865.95	\$68.19	\$45.46	\$606.16
6	2003	\$99.37	\$66.24	\$883.26	\$69.56	\$46.37	\$618.29
7	2004	\$101.35	\$67.57	\$900.93	\$70.95	\$47.30	\$630.65
8	2005	\$103.38	\$68.92	\$918.95	\$72.37	\$48.24	\$643.26
9	2006	\$105.45	\$70.30	\$937.33	\$73.81	\$49.21	\$656.13
10	2007	\$107.56	\$71.71	\$956.07	\$75.29	\$50.19	\$669.25
11	2008	\$109.71	\$73.14	\$975.20	\$76.80	\$51.20	\$682.64
12	2009	\$111.90	\$74.60	\$994.70	\$78.33	\$52.22	\$696.29
13	2010	\$114.14	\$76.09	\$1,014.59	\$79.90	\$53.27	\$710.22
14	2011	\$116.42	\$77.62	\$1,034.89	\$81.50	\$54.33	\$724.42
15	2012	\$118.75	\$79.17	\$1,055.58	\$83.13	\$55.42	\$738.91
16	2013	\$121.13	\$80.75	\$1,076.69	\$84.79	\$56.53	\$753.69
17	2014	\$123.55	\$82.37	\$1,098.23	\$86.49	\$57.66	\$768.76
18	2015	\$126.02	\$84.01	\$1,120.19	\$88.22	\$58.81	\$784.14
19	2016	\$128.54	\$85.69	\$1,142.60	\$89.98	\$59.99	\$799.82
20	2017	\$131.11	\$87.41	\$1,165.45	\$91.78	\$61.19	\$815.81
21	2018	\$133.74	\$89.16	\$1,188.76	\$93.61	\$62.41	\$832.13
22	2019	\$136.41	\$90.94	\$1,212.53	\$95.49	\$63.66	\$848.77
23	2020	\$139.14	\$92.76	\$1,236.78	\$97.40	\$64.93	\$865.75
24	2021	\$141.92	\$94.61	\$1,261.52	\$99.34	\$66.23	\$883.06
25	2022	\$144.76	\$96.51	\$1,286.75	\$101.33	\$67.55	\$900.72
26	2023	\$147.65	\$98.44	\$1,312.48	\$103.36	\$68.91	\$918.74
27	2024	\$150.61	\$100.41	\$1,338.73	\$105.43	\$70.28	\$937.11
28	2025	\$153.62	\$102.41	\$1,365.51	\$107.53	\$71.69	\$955.86
29	2026	\$156.69	\$104.46	\$1,392.82	\$109.68	\$73.12	\$974.97
30	2027	\$159.83	\$106.55	\$1,420.68	\$111.88	\$74.59	\$994.47
31	2028	\$163.02	\$108.68	\$1,449.09	\$114.12	\$76.08	\$1,014.36
32	2029	\$166.28	\$110.86	\$1,478.07	\$116.40	\$77.60	\$1,034.65
33	2030	\$169.61	\$113.07	\$1,507.63	\$118.73	\$79.15	\$1,055.34
34	2031	\$173.00	\$115.33	\$1,537.79	\$121.10	\$80.73	\$1,076.45
35	2032	\$176.46	\$117.64	\$1,568.54	\$123.52	\$82.35	\$1,097.98
36	2033	\$179.99	\$119.99	\$1,599.91	\$125.99	\$84.00	\$1,119.94
37	2034	\$183.59	\$122.39	\$1,631.91	\$128.51	\$85.68	\$1,142.34
38	2035	\$187.26	\$124.84	\$1,664.55	\$131.08	\$87.39	\$1,165.18
39	2036	\$191.01	\$127.34	\$1,697.84	\$133.70	\$89.14	\$1,188.49
40	2037	\$194.83	\$129.88	\$1,731.80	\$136.38	\$90.92	\$1,212.26
41	2038	\$198.72	\$132.48	\$1,766.43	\$139.11	\$92.74	\$1,236.50
42	2039	\$202.70	\$135.13	\$1,801.76	\$141.89	\$94.59	\$1,261.23
43	2040	\$206.75	\$137.83	\$1,837.80	\$144.73	\$96.48	\$1,286.46

dev_tax

(1) Net Acre is the area of the parcel associated with residential and
and non-residential uses after dedication of all right-of-way.

Attachment 2
City of Sacramento CFD 97-01
Maximum Special Tax Rates for Undeveloped Parcels

Fiscal Year Ending	Maximum Special Tax East of I-5		Maximum Special Tax West of I-5	
	Land Use Category:		Land Use Category:	
	4	5	4	5
	Final Map Parcels	Tentative Map Unmapped &	Final Map Parcels	Tentative Map Unmapped &
June 30	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>
1998	\$650.00	\$500.00	\$460.00	\$350.00
1999	\$663.00	\$510.00	\$469.20	\$357.00
2000	\$676.26	\$520.20	\$478.58	\$364.14
2001	\$689.79	\$530.60	\$488.16	\$371.42
2002	\$703.58	\$541.22	\$497.92	\$378.85
2003	\$717.65	\$552.04	\$507.88	\$386.43
2004	\$732.01	\$563.08	\$518.03	\$394.16
2005	\$746.65	\$574.34	\$528.40	\$402.04
2006	\$761.58	\$585.83	\$538.96	\$410.08
2007	\$776.81	\$597.55	\$549.74	\$418.28
2008	\$792.35	\$609.50	\$560.74	\$426.65
2009	\$808.19	\$621.69	\$571.95	\$435.18
2010	\$824.36	\$634.12	\$583.39	\$443.88
2011	\$824.36	\$634.12	\$583.39	\$443.88
2012	\$824.36	\$634.12	\$583.39	\$443.88
2013	\$824.36	\$634.12	\$583.39	\$443.88
2014	\$824.36	\$634.12	\$583.39	\$443.88
2015	\$824.36	\$634.12	\$583.39	\$443.88
2016	\$824.36	\$634.12	\$583.39	\$443.88
2017	\$824.36	\$634.12	\$583.39	\$443.88
2018	\$824.36	\$634.12	\$583.39	\$443.88
2019	\$824.36	\$634.12	\$583.39	\$443.88
2020	\$824.36	\$634.12	\$583.39	\$443.88
2021	\$824.36	\$634.12	\$583.39	\$443.88
2022	\$824.36	\$634.12	\$583.39	\$443.88
2023	\$824.36	\$634.12	\$583.39	\$443.88
2024	\$824.36	\$634.12	\$583.39	\$443.88
2025	\$824.36	\$634.12	\$583.39	\$443.88
2026	\$824.36	\$634.12	\$583.39	\$443.88
2027	\$824.36	\$634.12	\$583.39	\$443.88
2028	\$824.36	\$634.12	\$583.39	\$443.88
2029	\$824.36	\$634.12	\$583.39	\$443.88
2030	\$824.36	\$634.12	\$583.39	\$443.88
2031	\$824.36	\$634.12	\$583.39	\$443.88
2032	\$824.36	\$634.12	\$583.39	\$443.88
2033	\$824.36	\$634.12	\$583.39	\$443.88
2034	\$824.36	\$634.12	\$583.39	\$443.88
2035	\$824.36	\$634.12	\$583.39	\$443.88
2036	\$824.36	\$634.12	\$583.39	\$443.88
2037	\$824.36	\$634.12	\$583.39	\$443.88
2038	\$824.36	\$634.12	\$583.39	\$443.88
2039	\$824.36	\$634.12	\$583.39	\$443.88
2040	\$824.36	\$634.12	\$583.39	\$443.88

"undev_tax"

(1) Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

(2) Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks, and other right-of-way.

Attachment 3

City of Sacramento CFD 97-01

Estimated Base Prepayment Amount

(Amounts shown are subject to change annually)

	Column 1	Column 2	Column 3
	Prior to 1st Bond Sale	Between 1st & Last Bond Sale	After Last Bond Sale
	1996\$	Inflated \$	Inflated \$
Construction Cost - 1996 \$ [1]	\$24,775,000	\$24,775,000	\$24,775,000
Estimated Bonds - Inflated \$ [1]	n/a	\$35,000,000 authorization	\$32,050,000 estimated
East of I-5 Base Prepayment [2]			
Gross Acre	\$4,677	\$6,112	\$5,597
Gross Developable Acre	\$6,414	\$8,381	\$7,675
Net Acre	\$7,485	\$9,781	\$8,957
West of I-5 Base Prepayment [2]			
Gross Acre	\$3,189	\$4,167	\$3,816
Gross Developable Acre	\$4,373	\$5,715	\$5,233
Net Acre	\$5,103	\$6,669	\$6,107
Initial CFD Acreage			
Gross Acres [3]	5,827		
Gross Developable Acres [3]	4,249		
Net Acres [3]	3,641		

Notes: Assumes 7.5% reserve fund credit.

prepayment

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Step 3 of the Prepayment formula described in Section 6. Add to these amounts the additional costs described under Steps 6 and 9 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 PUBLIC HEARING
ON RESOLUTION OF INTENTION TO INCUR
A BONDED INDEBTEDNESS TO FINANCE
THE ACQUISITION AND CONSTRUCTION OF
CERTAIN PUBLIC FACILITIES IN AND FOR
THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES DISTRICT NO. 97-01

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 97-036 (the "Resolution") on January 28, 1997, 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 thirty-five million dollars (\$35,000,000) to finance the acquisition and construction of certain public facilities in and for a community facilities district referred to in the Resolution, to be known as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01" (the "Community Facilities District"), which facilities are generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor and the acquisition of land for habitat mitigation (collectively, 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 taxes or the collection or payment of any 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 4th day of March, 1997, 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 on its intention to incur 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.

DATED: January 28, 1997.

Talene G. Burrows

City Clerk of the City
of Sacramento

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22500400070000	ALLEGHANY PROPERTIES	47.52	
22501400170000	ALLEGHANY PROPERTIES	9.67	
22501500310000	ALLEGHANY PROPERTIES	3.84	
22501500330000	ALLEGHANY PROPERTIES	1.5	
22501500380000	ALLEGHANY PROPERTIES	6.37	
22501500430000	ALLEGHANY PROPERTIES	1.18	
22501500440000	ALLEGHANY PROPERTIES	5.47	
22501400160000	ALLEGHANY PROPERTIES	16.34	
22501500470000	ALLEGHANY PROPERTIES	19	
22501500460000	ALLEGHANY PROPERTIES	40.09	
22501500490000	ALLEGHANY PROPERTIES	43.59	
22501500500000	ALLEGHANY PROPERTIES	15.25	
22501800380000	ALLEGHANY PROPERTIES	47.47	
22501800390000	ALLEGHANY PROPERTIES	9.76	
22503100130000	ALLEGHANY PROPERTIES	8.62	
22503100140000	ALLEGHANY PROPERTIES	23.59	
22500700430000	ALLEGHANY PROPERTIES	41.36	
22500400060000	ALLEGHANY PROPERTIES	65.31	
22501500450000	ALLEGHANY PROPERTIES	7.7	
22501800370000	ALLEGHANY PROPERTIES	21.66	
22500700740000	ALLEGHANY PROPERTIES	5.36	
22501400190000	ALLEGHANY PROPERTIES	42.23	
22501400300000	ALLEGHANY PROPERTIES	23.9	

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22501400310000	ALLEGHANY PROPERTIES	8.1	
22501800040000	ALLEGHANY PROPERTIES	39.41	
22501800050000	ALLEGHANY PROPERTIES	40.6	
22501800060000	ALLEGHANY PROPERTIES	40.62	
22501800360000	ALLEGHANY PROPERTIES	41.4	
22500700490000	ALLEGHANY PROPERTIES	38.04	
22501500480000	ALLEGHANY PROPERTIES	110.7	
22500700540000	ALLEGHANY PROPERTIES	43.21	
22500700750000	ALLEGHANY PROPERTIES	22.77	
SUBTOTAL		891.63 ACRES	892 VOTES
20103100270000	ALLISON SMITH/ROSALIE MEADOWS	25.89	
SUBTOTAL		25.89 ACRES	26 VOTES
22501500250000	B & B & SONS ENTERPRISES INC.	18.26	
22501500140000	B & B & SONS ENTERPRISES INC.	25.79	
22501500280000	B & B & SONS ENTERPRISES INC.	20.19	
22501500270000	B & B & SONS ENTERPRISES INC.	13.08	
SUBTOTAL		77.32 ACRES	78 VOTES
22500700770000	BUZZ OATES ENTERPRISES II.	6.182	
22500700790000	BUZZ OATES ENTERPRISES II.	8.01	
22500700850000	BUZZ OATES ENTERPRISES II.	10.033	
22500700780000	BUZZ OATES ENTERPRISES II.	6.623	
22500700810000	BUZZ OATES ENTERPRISES II.	9.324	
22500700820000	BUZZ OATES ENTERPRISES II.	8.961	

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22500700800000	BUZZ OATES ENTERPRISES II.	7.389	
22500700840000	BUZZ OATES ENTERPRISES II.	8.587	
22500700860000	BUZZ OATES ENTERPRISES II.	8.463	
22500700830000	BUZZ OATES ENTERPRISES II.	8.449	
SUBTOTAL		82.02 ACRES	83 VOTES
22500700760000	CITY OF SACRAMENTO	100.411	
SUBTOTAL		100.41 ACRES	101 VOTES
22500400150000	D.W. KETSCHER TRUST	47.78	
22500400350000	D.W. KETSCHER TRUST	23.08	
22500400340000	D.W. KETSCHER TRUST	81.38	
22500400160000	D.W. KETSCHER TRUST	54.23	
22500400140000	D.W. KETSCHER TRUST	48.84	
SUBTOTAL		255.31 ACRES	256 VOTES
22500800320000	DWIGHT MOORE TRUST	28.59	
22500800310000	DWIGHT MOORE TRUST	42.97	
22500800300000	DWIGHT MOORE TRUST	41.72	
22500700280000	DWIGHT MOORE TRUST	3.55	
SUBTOTAL		116.83 ACRES	117 VOTES
22503100150000	GATEWAY TRUXEL PARTNERSHIP	79.24	
22503100170000	GATEWAY TRUXEL PARTNERSHIP	10.36	
22501400270000	GATEWAY TRUXEL PARTNERSHIP	47.32	
22501400280000	GATEWAY TRUXEL PARTNERSHIP	158.76	
22501400290000	GATEWAY TRUXEL PARTNERSHIP	23.11	

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22503100160000	GATEWAY TRUXEL PARTNERSHIP	50.1	
SUBTOTAL		368.89 ACRES	369 VOTES
20103000400000	JMA CORPORATION	18.96	
20103000410000	JMA CORPORATION	11.86	
20103000390000	JMA CORPORATION	47.29	
20103000380000	JMA CORPORATION	21.25	
SUBTOTAL		99.36 ACRES	100 VOTES
20103000180000	KERN, W. SCHUMACHER	48.68	
20103000610000	KERN W. SCHUMACHER	36.18	
22500300280000	KERN W. SCHUMACHER	47.02	
22500300270000	KERN W. SCHUMACHER	4.24	
22500300300000	KERN W. SCHUMACHER	23.84	
22500300260000	KERN W. SCHUMACHER	44.92	
22500300290000	KERN W. SCHUMACHER	25.95	
20103000290000	KERN W. SCHUMACHER	27	
20103000280000	KERN W. SCHUMACHER	34.72	
20103000260000	KERN W. SCHUMACHER	33.85	
20103000170000	KERN W. SCHUMACHER	49.27	
20103000160000	KERN W. SCHUMACHER	59.55	
22500400300000	KERN W. SCHUMACHER		
20103000270000	KERN W. SCHUMACHER	33.77	
22500300310000	KERN W. SCHUMACHER		
22500400290000	KERN W. SCHUMACHER	29.26	

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22500400320000	KERN W. SCHUMACHER		
22500400170000	KERN W. SCHUMACHER	54.79	
SUBTOTAL		553.04 ACRES	554 VOTES
22500700590000	KINGS ARCO ARENA	13.14	
22500700670000	KINGS ARCO ARENA	11.91	
22500700630000	KINGS ARCO ARENA	4.68	
22500700600000	KINGS ARCO ARENA	53.64	
SUBTOTAL		83.37 ACRES	84 VOTES
22500800070000	LAND DEVELOPMENT CO.	43.97	
22500800080000	LAND DEVELOPMENT CO.	44.16	
22500800150000	LAND DEVELOPMENT CO.	55.1	
22500800160000	LAND DEVELOPMENT CO.	51.45	
22500800170000	LAND DEVELOPMENT CO.	53.28	
22500800180000	LAND DEVELOPMENT CO.	43.74	
22500800040000	LAND DEVELOPMENT CO.	40.59	
22500800020000	LAND DEVELOPMENT CO.	31.13	
22500800030000	LAND DEVELOPMENT CO.	56.41	
22500800050000	LAND DEVELOPMENT CO.	31.31	
SUBTOTAL		451.14 ACRES	452 VOTES
20103100110000	LEWIS HOMES OF CALIFORNIA	39.62	
20103100250000	LEWIS HOMES OF CALIFORNIA	31.38	
20103100120000	LEWIS HOMES OF CALIFORNIA	36.95	
SUBTOTAL		107.95 ACRES	108 VOTES

NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

LIST OF PROPERTY OWNERS

Parcel No.	Name of Property Owner	No. of Acres	Total Votes
22500300350000	OSE LAND NO. 2		
22500300360000	OSE LAND NO. 2	42.97	
22500300320000	OSE LAND NO. 2		
22500300380000	OSE LAND NO. 2	14.42	
22500300330000	OSE LAND NO. 2	4.05	
SUBTOTAL		61.44 ACRES	62 VOTES
22501500320000	SACRAMENTO SPORTS ASSOC.	3.85	
SUBTOTAL		3.85 ACRES	4 VOTES
22500700640000	SANWA BANK	31.76	
22500700570000	SANWA BANK	10.76	
22500700730000	SANWA BANK	34.66	
22500700700000	SANWA BANK	22.03	
SUBTOTAL		99.21 ACRES	100 VOTES
22501500360000	STATE VENTURES INC.	11.06	
22501500300000	STATE VENTURES INC.	9.72	
SUBTOTAL		20.78 ACRES	21 VOTES
22501500150000	SUPER PALLET RECYCLING CORP.	0.29	
22501500180000	SUPER PALLET RECYCLING CORP.	12.44	
SUBTOTAL		12.73 ACRES	13 VOTES
22500500190000	VALLEY LAND COMPANY	121.07	
20103100170000	VALLEY LAND COMPANY	75.47	
20103100180000	VALLEY LAND COMPANY	75.3	
20103200220000	VALLEY LAND COMPANY	157.84	

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 classified as an East of I-5 Parcel or West of I-5 Parcel.
3. Each East of I-5 Parcel and West of I-5 Parcel to be further classified as a Developed Parcel, Veteran Developed Parcel or Undeveloped Parcel. Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, is otherwise terminated, or the Parcel is classified as a Veteran Developed Parcel.
4. Each Developed Parcel or Veteran Developed Parcel will be classified as Land Use Category 1, 2 or 3.
5. Each Undeveloped Parcel will be classified as Land Use Category 4 or 5.

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

1. Developed Parcels and Veteran Developed Parcels

Attachment 1 shows the Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels for each Land Use Category by Fiscal Year. The only change in the Maximum Annual Special Tax for a Developed Parcel shall be if a Prepayment occurs after the Development Year in accordance with Section 6 below.

2. Undeveloped Parcels

Attachment 2 shows the Maximum Special Tax Rates for Undeveloped Parcels for each Land Use Category by Fiscal Year.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 4.B above.

1. Catch-up Special Tax. Parcels, included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. The catch-up special tax will be set equal to sum of the applicable Maximum Special Tax per Acre for Land Use Category 5 for the prior ten Fiscal Years in which the special tax was levied for Undeveloped Parcels times the gross acres of the annexing Parcel. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

2. Exempt Parcels. Those Parcels not included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan will not be subject to the Catch-up Special Tax.

However, any Parcels added to the Finance Plan Area which do not concurrently annex to the CFD will be subject to the Catch-up Special Tax based on the years between annexation to the Financing Plan Area and annexation to the CFD..

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt 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 the 4.A and 4.B above and excluded from the provisions of Section 4.C. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

E. Development of the City Stadium Parcel or Transfer of the Parcel to a Private Owner. When the City Stadium Parcel is developed or ownership is transferred to a private owner, the City will be required to pay the Special Taxes that it would have paid if it had been classified as an Undeveloped Parcel for each year that Special Taxes were levied on Undeveloped Parcels. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs 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. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
 - Determine if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than annual costs the tax is reduced proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
 - 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 Undeveloped Parcels up to 100% of their Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.
 - If revenues from taxing Developed Parcels and Undeveloped Parcels at 100% of their Maximum Annual Special Taxes are not sufficient, the City will then levy the tax on the City Stadium Parcel up to 100% of its Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.

- If revenues from taxing Developed Parcels, Undeveloped Parcels, and the City Stadium Parcel at 100% of their respective Maximum Annual Special Taxes are not sufficient to pay for the Annual Cost, the City will then proportionately tax Veteran Developed Parcels up to 100% of the Maximum Special Annual Tax until the tax levy is set at an amount sufficient to cover 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, and or any Catch-up Special Taxes attributable to that Parcel. • 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 3)

The base Prepayment amount 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 shall be calculated using the following steps.

- Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. 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 plus any acreage that has been annexed into 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; total bond authorization; or total outstanding bonds, if all bonds have been issued.
- Step 3: Calculate the base Prepayment amount per acre based on the location of the Prepayment Parcel:

Parcels East of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Multiply the dividend of the previous calculation by a factor of 1.1 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Parcels West of Interstate 5: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories; multiply the dividend by a factor of 0.75 (to account for cost allocation differences between West of I-5 and East of I-5). Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

- Step 4: Update **Attachment 3** based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The **Attachment 3** 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.

- Step 5: Determine whether the acreage of the Parcel making a Prepayment is Gross Acres, Gross Developable Acres, or Net Acres and determine whether the Parcel is a West of I-5 Parcel or an East of I-5 Parcel.

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

- Step 5: 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 from column 1 of **Attachment 3**--for the appropriate acreage and location category--by the Parcel's total acreage.
- Step 6: In addition to the base Prepayment amount, the City will also require a contribution to the security fund for the notes issued related to the Habitat Conservation Plan (HCP) based on 10% of the HCP fee obligation for the parcel(s) prepaying. Payment will be made in cash or by another financial instrument acceptable to the City.
- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 5, the contribution towards the HCP security fund from Step 6, and the City's administrative cost 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 3** will be used. If all bonds have been sold, column 3 of **Attachment 3** will be used.
- Step 8: Determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from either column 2 or 3 of **Attachment 3**--for the appropriate acreage, location, and bond issuance category--by the Parcel's total acreage.
- Step 9: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 8 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.

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 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.

For each Developed Parcel, the City shall further maintain records of:

- the Parcel's Development Year; and
- the Parcel's net acreage;
- the amount of the Maximum Annual Special Tax applied in the Parcel's Development Year and each following Fiscal 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

City of Sacramento CFD 97-01

Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential
	June 30	per unit	per unit	per net acre (1)	per unit	per unit	per net acre (1)
1	1998	\$90.00	\$60.00	\$800.00	\$63.00	\$42.00	\$560.00
2	1999	\$91.80	\$61.20	\$816.00	\$64.26	\$42.84	\$571.20
3	2000	\$93.64	\$62.42	\$832.32	\$65.55	\$43.70	\$582.62
4	2001	\$95.51	\$63.67	\$848.97	\$66.86	\$44.57	\$594.28
5	2002	\$97.42	\$64.95	\$865.95	\$68.19	\$45.46	\$606.16
6	2003	\$99.37	\$66.24	\$883.26	\$69.56	\$46.37	\$618.29
7	2004	\$101.35	\$67.57	\$900.93	\$70.95	\$47.30	\$630.65
8	2005	\$103.38	\$68.92	\$918.95	\$72.37	\$48.24	\$643.26
9	2006	\$105.45	\$70.30	\$937.33	\$73.81	\$49.21	\$656.13
10	2007	\$107.56	\$71.71	\$956.07	\$75.29	\$50.19	\$669.25
11	2008	\$109.71	\$73.14	\$975.20	\$76.80	\$51.20	\$682.64
12	2009	\$111.90	\$74.60	\$994.70	\$78.33	\$52.22	\$696.29
13	2010	\$114.14	\$76.09	\$1,014.59	\$79.90	\$53.27	\$710.22
14	2011	\$116.42	\$77.62	\$1,034.89	\$81.50	\$54.33	\$724.42
15	2012	\$118.75	\$79.17	\$1,055.58	\$83.13	\$55.42	\$738.91
16	2013	\$121.13	\$80.75	\$1,076.69	\$84.79	\$56.53	\$753.69
17	2014	\$123.55	\$82.37	\$1,098.23	\$86.49	\$57.66	\$768.76
18	2015	\$126.02	\$84.01	\$1,120.19	\$88.22	\$58.81	\$784.14
19	2016	\$128.54	\$85.69	\$1,142.60	\$89.98	\$59.99	\$799.82
20	2017	\$131.11	\$87.41	\$1,165.45	\$91.78	\$61.19	\$815.81
21	2018	\$133.74	\$89.16	\$1,188.76	\$93.61	\$62.41	\$832.13
22	2019	\$136.41	\$90.94	\$1,212.53	\$95.49	\$63.66	\$848.77
23	2020	\$139.14	\$92.76	\$1,236.78	\$97.40	\$64.93	\$865.75
24	2021	\$141.92	\$94.61	\$1,261.52	\$99.34	\$66.23	\$883.06
25	2022	\$144.76	\$96.51	\$1,286.75	\$101.33	\$67.55	\$900.72
26	2023	\$147.65	\$98.44	\$1,312.48	\$103.36	\$68.91	\$918.74
27	2024	\$150.61	\$100.41	\$1,338.73	\$105.43	\$70.28	\$937.11
28	2025	\$153.62	\$102.41	\$1,365.51	\$107.53	\$71.69	\$955.86
29	2026	\$156.69	\$104.46	\$1,392.82	\$109.68	\$73.12	\$974.97
30	2027	\$159.83	\$106.55	\$1,420.68	\$111.88	\$74.59	\$994.47
31	2028	\$163.02	\$108.68	\$1,449.09	\$114.12	\$76.08	\$1,014.36
32	2029	\$166.28	\$110.86	\$1,478.07	\$116.40	\$77.60	\$1,034.65
33	2030	\$169.61	\$113.07	\$1,507.63	\$118.73	\$79.15	\$1,055.34
34	2031	\$173.00	\$115.33	\$1,537.79	\$121.10	\$80.73	\$1,076.45
35	2032	\$176.46	\$117.64	\$1,568.54	\$123.52	\$82.35	\$1,097.98
36	2033	\$179.99	\$119.99	\$1,599.91	\$125.99	\$84.00	\$1,119.94
37	2034	\$183.59	\$122.39	\$1,631.91	\$128.51	\$85.68	\$1,142.34
38	2035	\$187.26	\$124.84	\$1,664.55	\$131.08	\$87.39	\$1,165.18
39	2036	\$191.01	\$127.34	\$1,697.84	\$133.70	\$89.14	\$1,188.49
40	2037	\$194.83	\$129.88	\$1,731.80	\$136.38	\$90.92	\$1,212.26
41	2038	\$198.72	\$132.48	\$1,766.43	\$139.11	\$92.74	\$1,236.50
42	2039	\$202.70	\$135.13	\$1,801.76	\$141.89	\$94.59	\$1,261.23
43	2040	\$206.75	\$137.83	\$1,837.80	\$144.73	\$96.48	\$1,286.46

*dev_tax

(1) Net Acre is the area of the parcel associated with residential and
and non-residential uses after dedication of all right-of-way.

Attachment 2
City of Sacramento CFD 97-01
Maximum Special Tax Rates for Undeveloped Parcels

Fiscal Year Ending	Maximum Special Tax East of I-5		Maximum Special Tax West of I-5	
	Land Use Category:		Land Use Category:	
	4	5	4	5
	Final Map Parcels	Tentative Map Unmapped &	Final Map Parcels	Tentative Map Unmapped &
June 30	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>	<i>per gross developable acre (1)</i>	<i>per gross acre (2)</i>
1998	\$650.00	\$500.00	\$460.00	\$350.00
1999	\$663.00	\$510.00	\$469.20	\$357.00
2000	\$676.26	\$520.20	\$478.58	\$364.14
2001	\$689.79	\$530.60	\$488.16	\$371.42
2002	\$703.58	\$541.22	\$497.92	\$378.85
2003	\$717.65	\$552.04	\$507.88	\$386.43
2004	\$732.01	\$563.08	\$518.03	\$394.16
2005	\$746.65	\$574.34	\$528.40	\$402.04
2006	\$761.58	\$585.83	\$538.96	\$410.08
2007	\$776.81	\$597.55	\$549.74	\$418.28
2008	\$792.35	\$609.50	\$560.74	\$426.65
2009	\$808.19	\$621.69	\$571.95	\$435.18
2010	\$824.36	\$634.12	\$583.39	\$443.88
2011	\$824.36	\$634.12	\$583.39	\$443.88
2012	\$824.36	\$634.12	\$583.39	\$443.88
2013	\$824.36	\$634.12	\$583.39	\$443.88
2014	\$824.36	\$634.12	\$583.39	\$443.88
2015	\$824.36	\$634.12	\$583.39	\$443.88
2016	\$824.36	\$634.12	\$583.39	\$443.88
2017	\$824.36	\$634.12	\$583.39	\$443.88
2018	\$824.36	\$634.12	\$583.39	\$443.88
2019	\$824.36	\$634.12	\$583.39	\$443.88
2020	\$824.36	\$634.12	\$583.39	\$443.88
2021	\$824.36	\$634.12	\$583.39	\$443.88
2022	\$824.36	\$634.12	\$583.39	\$443.88
2023	\$824.36	\$634.12	\$583.39	\$443.88
2024	\$824.36	\$634.12	\$583.39	\$443.88
2025	\$824.36	\$634.12	\$583.39	\$443.88
2026	\$824.36	\$634.12	\$583.39	\$443.88
2027	\$824.36	\$634.12	\$583.39	\$443.88
2028	\$824.36	\$634.12	\$583.39	\$443.88
2029	\$824.36	\$634.12	\$583.39	\$443.88
2030	\$824.36	\$634.12	\$583.39	\$443.88
2031	\$824.36	\$634.12	\$583.39	\$443.88
2032	\$824.36	\$634.12	\$583.39	\$443.88
2033	\$824.36	\$634.12	\$583.39	\$443.88
2034	\$824.36	\$634.12	\$583.39	\$443.88
2035	\$824.36	\$634.12	\$583.39	\$443.88
2036	\$824.36	\$634.12	\$583.39	\$443.88
2037	\$824.36	\$634.12	\$583.39	\$443.88
2038	\$824.36	\$634.12	\$583.39	\$443.88
2039	\$824.36	\$634.12	\$583.39	\$443.88
2040	\$824.36	\$634.12	\$583.39	\$443.88

undev_tax

(1) Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

(2) Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks, and other right-of-way.

Attachment 3

City of Sacramento CFD 97-01

Estimated Base Prepayment Amount

(Amounts shown are subject to change annually)

	Column 1	Column 2	Column 3
	Prior to 1st Bond Sale	Between 1st & Last Bond Sale	After Last Bond Sale
	1996\$	Inflated \$	Inflated \$
Construction Cost - 1996 \$ [1]	\$24,775,000	\$24,775,000	\$24,775,000
Estimated Bonds - Inflated \$ [1]	n/a	\$35,000,000 authorization	\$32,050,000 estimated
East of I-5 Base Prepayment [2]			
Gross Acre	\$4,677	\$6,112	\$5,597
Gross Developable Acre	\$6,414	\$8,381	\$7,675
Net Acre	\$7,485	\$9,781	\$8,957
West of I-5 Base Prepayment [2]			
Gross Acre	\$3,189	\$4,167	\$3,816
Gross Developable Acre	\$4,373	\$5,715	\$5,233
Net Acre	\$5,103	\$6,669	\$6,107
Initial CFD Acreage			
Gross Acres [3]	5,827		
Gross Developable Acres [3]	4,249		
Net Acres [3]	3,641		

Notes: Assumes 7.5% reserve fund credit.

prepayment

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Step 3 of the Prepayment formula described in Section 6. Add to these amounts the additional costs described under Steps 6 and 9 of Section 6 to arrive at the total Prepayment Amount.
- [3] Determined annually under Step 1 of the Prepayment formula described in Section 6.

CLERK'S CERTIFICATE

I, Valerie A. Burrowes, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 28th day of January, 1997, of which meeting all of the members of said Council had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES: Fargo, Kerth, Pannell, Steinberg, Waters, Yee, Serna

NOES: None

ABSENT: Cohn

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: January 29, 1997.



City Clerk of the City
of Sacramento

[SEAL]

RESOLUTION NO. 97-036

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
JAN 28 1997
OFFICE OF THE
CITY CLERK

**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 FACILITIES IN AND FOR
THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY
FACILITIES DISTRICT NO. 97-01**

**WHEREAS, the City Council (the "Council") of the City
of Sacramento (the "City") has duly adopted Resolution No. 97-035
(the "Resolution") on January 28, 1997, 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 "City
of Sacramento North Natomas Drainage Community Facilities
District No. 97-01" (the "Community Facilities District"), to
finance the acquisition and construction of those certain public
facilities (the "Facilities," as that term is defined in the
Resolution) in and for the Community Facilities District and,
except where funds are otherwise available, to levy a special
tax sufficient to pay for the acquisition and construction of
the Facilities pursuant to the Act; 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.**

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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, which Facilities are necessary to meet increased demands placed upon the City as a result of development occurring in the Community Facilities District, and which Facilities are generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor, and the acquisition of land for habitat mitigation. 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 taxes or the collection or payment of any 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.

Section 3. The amount of the proposed bonded indebtedness to be incurred to finance the acquisition and construction of the Facilities is thirty-five million dollars (\$35,000,000), 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 or construction of buildings, or both, 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

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

letters of credit, and other credit enhancement costs, and printing costs.

Section 4. Notice is given that Tuesday, the 4th day of March, 1997, 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 on the intention of the Council to incur 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 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 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.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

PASSED AND ADOPTED by the City Council of the City of Sacramento this 28th day of January, 1997, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Mayor of the City of Sacramento

ATTEST:

City Clerk of the City of Sacramento

[SEAL]

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

CLERK'S CERTIFICATE

I, Valerie A. Burrowes, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 28th day of January, 1997, of which meeting all of the members of said Council had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES: Fargo, Kerth, Pannell, Steinberg, Waters, Yee, Serna

NOES: None

ABSENT: Cohn

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: January 29, 1997.

Valerie A. Burrowes

City Clerk of the City
of Sacramento

[SEAL]

CITY OF SACRAMENTO

AFFIDAVIT OF RECORDING BOUNDARY MAP
OF THE CITY OF SACRAMENTO
NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01

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 Section 3111 of the Streets and
Highways Code of the State of California, she recorded a map
entitled "Proposed Boundaries of North Natomas Drainage Community
Facilities District No. 97-01, City of Sacramento, County of
Sacramento, State of California" (the "Community Facilities
District") in the office of the County Recorder of Sacramento
County on ^{January} ~~February~~ 31, 1997, which date was fifteen (15) days

prior to the date of the public hearing on the Community
Facilities District scheduled to be held on March 4, 1997..

Talene A. Burrows
City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 3rd day of February, 1997.

Stephanie Armstrong
NOTARY PUBLIC
State of California

[Notarial Seal]



CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH
REQUIREMENTS FOR MAILING
NOTICE OF PUBLIC HEARING
ON RESOLUTION OF INTENTION TO INCUR
A BONDED INDEBTEDNESS FOR THE
CITY OF SACRAMENTO
NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01

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. 97-036 (the
"Resolution") adopted by the City Council of the City of
Sacramento on January 28, 1997, she complied with the
requirements for mailing a Notice of Public Hearing on the
resolution of intention to incur a bonded indebtedness for the
City of Sacramento North Natomas Drainage Community Facilities
District No. 97-01, (the "Community Facilities District"), as
required by Section 5 of the Resolution, by causing a copy of
said notice to be mailed on February 3, 1997, first class

ORIGINAL

postage prepaid, to each property owner and to each registered voter within the boundaries 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 said notice in the form mailed.

Julie A. Burrows
City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 3rd day of February, 1997.

Stephanie Armstrong
NOTARY PUBLIC
State of California

[Notarial Seal]



EXHIBIT A

[ATTACH COPY OF N-2 IN FORM MAILED]

NOTICE OF PUBLIC HEARING
ON RESOLUTION OF INTENTION TO ESTABLISH
THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE
COMMUNITY FACILITIES DISTRICT NO. 97-01
AND TO LEVY A SPECIAL TAX TO FINANCE THE ACQUISITION
AND CONSTRUCTION OF CERTAIN PUBLIC 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. 97-035 (the "Resolution") on January 28, 1997, 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"), comprising the territory in the City (located in the area of the City commonly known as North Natomas) more particularly described in the Resolution, to be known and designated as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01" (the "Community Facilities District"), for the purpose of financing the acquisition and construction of those certain public facilities generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor and the acquisition of land for habitat mitigation (collectively, the "Facilities"), and wherein (b) it declared its intention to authorize the levy of a special tax 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 A, 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 taxes or the collection or payment of any 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 4th day of March, 1997, 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 all interested persons, 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 and 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 and 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 and 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.

DATED: January 28, 1997.



City Clerk of the City of Sacramento

Exhibit B

City of Sacramento, California
North Natomas Community Plan
Community Facilities District No. 97-01

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 Community Facilities District No. 97-01 (the "CFD") of 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.

"**Annexation Parcel**" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Later participation in the CFD requires annexation proceedings.

"**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, less any grants/other project funding and/or less the application of any funds available from Prepayments as described in Section 6. The total Annual Costs shall be limited to those necessary to provide the Authorized Facilities.

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

"Authorized Facilities" means those improvements, as listed in Exhibit A to the Resolution of Formation, which can be financed by the CFD.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1997 and ending June 30, 1998.

"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.

"Catch-up Special Tax" means a one-time special tax assigned to Annexation Parcels as described in Section 4.

"CFD" means the North Natomas Community Facilities District No. 97-01, City of Sacramento, California.

"City" means City of Sacramento, California.

"City Stadium Parcel" means the City-owned parcel with assessor's parcel number 225-0070-076 designated in the Community Plan as a sports stadium. This Parcel shall be classified into Land Use Category 5 until it is certified as a Developed Parcel by the City or is transferred to a private owner. For this Parcel, Developed Parcel means that an occupancy permit has been issued. Once the Parcel is a Developed Parcel, it will be treated as Land Use Category 3 and taxed the same as other Developed Parcels. The Parcel will not be considered an Undeveloped Parcel for the purpose of calculating the annual levy as described in Section 5. If transferred to a private owner, the Parcel will be treated like any other Taxable Parcel.

"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.

"Developed Parcel" means a Parcel which has:

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

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

"Development Year" means, for each Developed Parcel, the Fiscal Year in which the Parcel changes classifications from Undeveloped Parcel to Developed Parcel.

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

"East of I-5 Parcel" means a Parcel located on the east side of Interstate 5.

"Final Map Parcel" means a Parcel which has:

- an approved large lot final map, or
- an approved final master parcel map.

"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.

"Land Use Category 1" means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit.

"Land Use Category 2" means a Developed Parcel with an approved land use for a duplex (two units per lot) or condominium (more than two attached dwelling units which are owned individually).

"Land Use Category 3" means a Developed Parcel with an approved land use for other than Land Use Category 1 or 2 land uses such as three or more attached residential units owned in common, non-residential uses, or a combination thereof.

"Land Use Category 4" means a Final Map Parcel.

"Land Use Category 5" means a Tentative Map Parcel or an Unmapped Parcel.

"Master Parcel Map" means a map that subdivides large tracts of land into smaller parcels for the purpose of later 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 either Attachments 1 or 2 for a 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-Residential Development" means a Parcel designated for commercial, office, light industrial or the sports complex as defined in the North Natomas Community Plan.

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

"Prepayment" means the permanent satisfaction of all of the 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 which has permanently satisfied all of the 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 in the North Natomas Community Plan as adopted by the City--or as subsequently 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, 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.

"Remediation Parcel" means a Parcel within Assessor Parcel Numbers (APN) 225-015-14, 225-015-15, 225-015-18, 225-015-28, 225-015-30 and 225-015-032 that contain toxics and therefore require cleanup and abatement. A Remediation Parcel shall remain non-taxable until the City declares it to have been remediated. Once declared remediated, that Parcel shall become a Taxable Parcel.

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

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel or a Remediation 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) or (ii) any Prepayment Parcel. 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 Map" means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

"Tentative Map Parcel" means a Parcel which has an approved Tentative Master Parcel Map or an approved Tentative Map.

"Undeveloped Parcel" means a Parcel which is not a Developed Parcel.

"Unmapped Parcel" means a Parcel without an approved tentative master parcel map.

"Veteran Developed Parcel" means a Parcel which had been classified as a Developed Parcel for thirty years. After 30 years of being subject to the Special Tax as a Developed Parcel, the Veteran Developed Parcel is only subject to the Special Tax if there is a shortfall in the revenues generated from all other Taxable Parcels to pay for the Annual Cost of the CFD.

"West of I-5 Parcel" means a Parcel located on the west side of Interstate 5.

3. Termination of the Special Tax

The Special Tax will be levied 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 2039-2040.

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, Remediation Parcel, or a 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 classified as an East of I-5 Parcel or West of I-5 Parcel.
3. Each East of I-5 Parcel and West of I-5 Parcel to be further classified as a Developed Parcel, Veteran Developed Parcel or Undeveloped Parcel. Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, is otherwise terminated, or the Parcel is classified as a Veteran Developed Parcel.
4. Each Developed Parcel or Veteran Developed Parcel will be classified as Land Use Category 1, 2 or 3.
5. Each Undeveloped Parcel will be classified as Land Use Category 4 or 5.

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

1. Developed Parcels and Veteran Developed Parcels

Attachment 1 shows the Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels for each Land Use Category by Fiscal Year. The only change in the Maximum Annual Special Tax for a Developed Parcel shall be if a Prepayment occurs after the Development Year in accordance with Section 6 below.

2. Undeveloped Parcels

Attachment 2 shows the Maximum Special Tax Rates for Undeveloped Parcels for each Land Use Category by Fiscal Year.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 4.B above.

1. Catch-up Special Tax. Parcels, included within the boundaries of the Finance Plan Area as identified in the August 9, 1994 North Natomas Finance Plan, annexing to the District after the CFD is formed are subject to the Catch-up Special Tax. The catch-up special tax will be set equal to sum of the applicable Maximum Special Tax per Acre for Land Use Category 5 for the prior ten Fiscal Years in which the special tax was levied for Undeveloped Parcels times the gross acres of the annexing Parcel. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

COST ALLOCATION

The cost allocation is computed on a per persons served basis. As new development occurs in the City, it will be required to add 5 acres of park for every 1,000 persons added per on City Council policy. Of this amount, 2.5 acres will be dedicated for neighborhood parks. Therefore, for every new resident, 0.0025 neighborhood park acres should be added within the City.

As shown in **Figure 2**, based on an allocated maintenance cost of \$6,000 per acre and a requirement of 0.0025 acres of neighborhood park per person, the cost to maintain a neighborhood park is estimated at \$15.00 per person per year.

Figure 2
City of Sacramento
Neighborhood Park Maintenance CFD No. 2002-02
Estimated Maximum Special Tax per Single Family Unit

Neighborhood Parks	
Estimated Maintenance Cost Per Acre:	\$8,000
Maint. Cost Per Acre Funded by CFD:	\$6,000
LOS Requirement:	2.50 Acres per 1,000 Population
LOS Requirement per Person	0.0025 Acres per Person
Maint. Cost per Person:	\$15.00
People Per Household:	2.98 per Single Family Unit
Maintenance Cost per Single Family Unit:	\$44.70

According to the Quimby Ordinance, there are approximately 2.98 people per unit for single family land uses. The maintenance cost per person is multiplied by the people per household factor to determine the maintenance cost on a per unit basis. The cost per single family unit is estimated at \$44.70 per year.

MAXIMUM ANNUAL SPECIAL TAX

The CFD's annual maintenance and services costs will be funded through the collection of special taxes levied against the property within the CFD. Special taxes will be collected from each unit based on the residential land uses within the District.

The maximum annual cost of CFD services funded by special taxes was calculated assuming direct service costs, on a per persons served basis, and a City administrative expense. **Figure 3** shows the calculation of the maximum annual special tax by residential unit type. The City administrative cost represents 7 percent of the estimated annual maintenance cost per residential unit.

The maximum annual special tax revenue generated in any given year will be a function of the number of residential units included in the District. The District was initially formed by the Elder Creek project in the south area, which included 34 units. Annexation 1 added approximately 3,531 single family units and 4,665 multi-family units to the CFD. Annexation # 2 will add approximately 267 units to the District. As other development projects within the City are approved, they will be required to annex into the CFD.

Figure 3
City of Sacramento
Neighborhood Park Maintenance CFD No. 2002-02
Estimated Maximum Special Tax per Residential Unit Type

Land Use	Persons per Unit	Cost per Resident	Cost per Unit	Admin. Cost 7%	Estimated Max. Annual Special Tax per Unit (rounded)
Single-Family Residential Unit	2.98	\$15.00	\$44.70	\$3.13	\$48.00
Condominium/Townhouse Units	2.98	\$15.00	\$44.70	\$3.13	\$48.00
Duplex/Half-plex/Tri-plex Unit [1]	2.98	\$15.00	\$44.70	\$3.13	\$48.00
Multi-Family Residential Unit	1.76	\$15.00	\$26.40	\$1.85	\$28.00
Mobile Home Unit	1.76	\$15.00	\$26.40	\$1.85	\$28.00
Other	1.76	\$15.00	\$26.40	\$1.85	\$28.00

"est_tax_per_unit"

[1] For purposes of CFD No. 2002-02 and as directed by City Council, Duplex, Half-plex, and Tri-plex housing units were assumed to have the same usage factor as Single-Family residential units.

The Maximum Annual Special Tax will be increased annually by the Tax Escalation Factor, which will be based upon the Consumer Price Index (CPI) not to exceed 4 percent annually.

III. STRUCTURE OF THE PROPOSED CFD

DESCRIPTION OF THE COMMUNITY FACILITIES DISTRICT

Special taxes within the CFD will be levied according to the Rate and Method of Apportionment of Special Tax (the "Tax Formula"). The attached exhibits contain the formation documents for CFD No. 2002-02. **Exhibit A** contains the Tax Formula and **Exhibit B** is the list of authorized services to be funded by CFD No. 2002-02. The purpose of CFD No. 2002-02 is to provide funding for the annual neighborhood park maintenance costs as authorized by the CFD.

CFD BOUNDARIES

Exhibit C shows the proposed boundary maps for Annexation **2** of the CFD. As other new development projects move through the planning process, they will be required to annex into the CFD and the boundary map will be adjusted accordingly.

ANNUAL COSTS TO BE FUNDED BY THE CFD

Annual neighborhood maintenance costs are estimated to be approximately \$8,000 per acre; however, the costs included in the CFD are only \$6,000 per acre. Revenue generated from the CFD is only one source of funding targeted at neighborhood park maintenance; other sources of funding include the citywide Lighting and Landscaping District and the City's General Fund revenues to the extent available.

Because annual maintenance costs are projected to exceed revenues generated by the CFD, the special tax levied on CFD parcels will be the maximum annual special tax. The maximum annual special tax will be adjusted annually by CPI (not to exceed 4 percent in any given year) to account for increases in park maintenance costs.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

The City shall prepare a list of parcels subject to the Special Tax using the records of the City of Sacramento and the County Assessor. The City will tax all residential parcels within the CFD except those that are declared tax-exempt. Taxable parcels that are acquired by a public agency after the CFD is formed will be re-classified as tax-exempt provided it is determined by the City, in the exercise of its sole discretion, that it is no longer used for residential purposes.

TERMINATION OF THE SPECIAL TAX

The special tax will be levied and collected in perpetuity.

MAXIMUM ANNUAL SPECIAL TAX

Figure 4 shows the maximum annual special tax rate per type of residential unit in the Base Year (FY 2002-03). The maximum annual special tax will be assigned to each taxable parcel consistent with the provisions in Section 4 of the Tax Formula.

The maximum annual special tax will escalate annually by CPI, not to exceed 4 percent in any given year, to cover actual or anticipated increases in the annual costs.

SETTING THE ANNUAL SPECIAL TAX RATE

The City shall assign the maximum annual special tax per taxable parcel based on **Attachment 1** and Section 4 of the Tax Formula as adjusted annually by the Tax Escalation Factor.

Once completed, the City will prepare the Tax Collection Schedule for each Parcel and send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the following Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

PREPAYMENT OF SPECIAL TAX OBLIGATION

Prepayment of special taxes is not permitted.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as *ad valorem* property taxes.

Figure 4
City of Sacramento CFD No. 2002-02
(Neighborhood Park Maintenance)
Maximum Annual Special Tax Rates - Base Fiscal Year [1]

Tax Category	Base Year 2002-2003 Maximum Annual Special Tax Rate [1] [2]
<u>Developed Parcels [3]</u>	<i><u>per Residential Unit</u></i>
Single Family Residential Parcels	\$48.00
Condominium/Townhouse Parcels	\$48.00
Duplex/Half-plex/Tri-plex Residential Parcels	\$48.00
Multi-Family Residential Parcels	\$28.00
Mixed Use Parcels	\$28.00
Mobile Home Park Parcels	\$28.00
<u>Other Uses</u>	
Non-Residential Use Parcels [4]	<i>Tax-Exempt</i>
Undeveloped Parcels [5]	<i>Tax-Exempt</i>
Public Parcels	<i>Tax-Exempt</i>

"attachment 1"

- [1] The Base Fiscal Year for the CFD is Fiscal Year 2002-2003. The Maximum Annual Special Tax Rate will be escalated by the Tax Escalation Factor, not to exceed 4 percent annually thereafter, as determined by the Consumer Price Index.
- [2] The Maximum Annual Special Tax Rate is applied to the Residential Units assigned to each Taxable Parcel. Condominium/Townhouse Residential Parcels and Single Family Residential Parcels are assumed to have one Unit. Multi-Family Residential Parcels, Mixed Use Parcels, and Mobile Home Park Parcels may have more than one Unit assigned to a Parcel. The number of Residential Units assigned to these Parcels will be determined by the final subdivision map, initial building permit, or subsequent building permits for tenant improvements.
- [3] Developed Parcels are residential or mixed use Parcels with a building permit for residential use.
- [4] Non-Residential Use Parcels are commercial, industrial, office, and other non-residential uses.
- [5] Undeveloped Parcels are Parcels that are not classified as a Developed Parcel or Non-Residential Use Parcel.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBITS:

EXHIBIT A: RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX

EXHIBIT B: LIST OF AUTHORIZED SERVICES

EXHIBIT C: BOUNDARY MAP



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT A:
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX

Exhibit A

City of Sacramento, California Neighborhood Park Maintenance Community Facilities District No. 2002-02

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 Neighborhood Park Maintenance Community Facilities District No. 2002-02 (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 form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annexation Parcel" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Parcels are required to annex to the District based upon City policy.

"Annual Costs" means for each Fiscal Year, the total of 1) Authorized Services 2) Administrative Expenses; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

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

"Authorized Services" mean those services authorized for funding under the CFD, as listed in the resolution forming the CFD.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 2002 and ending June 30, 2003.

City of Sacramento
Neighborhood Park Maintenance CFD No. 2002-02
Rate and Method of Apportionment
May 17, 2002

"CFD" means the Neighborhood Park Maintenance Community Facilities District No. 2002-02 of the City of Sacramento, California.

"City" means City of Sacramento, California.

"Condominium/Townhouse Residential Parcel" means a Parcel created by a subdivision map, building permit, or action of the County Assessor, that creates individual condominium or townhouse Parcels. The number of Residential Units assigned to each Condominium/Townhouse Parcel is determined by the number of condominium or townhouse units created by subdivision map or building permit for each Parcel.

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

"County" means the County of Sacramento, California.

"Developed Parcel" means a Parcel that has a recorded final subdivision map or has been issued a building permit or special use permit for the land uses stated below:

Land Use	Developed Parcel Trigger
Single Family Residential Parcel(s)	-Final Subdivision Map
Condominium/Townhouse Residential Parcel(s)	-Final Subdivision Map
Duplex/Half-plex/Tri-plex Residential Parcel(s)	-Building Permit
Multi-Family Residential Parcel(s)	-Building Permit
Mobile Home Park Parcel(s)	-Special Use Permit
Mixed Use Parcel(s)	-Building Permit

"Duplex/Tri-plex Residential Parcel" means a Parcel with a building permit for a duplex or a tri-plex residential use. The number of Residential Units assigned to a Duplex/Tri-plex Residential Parcel is two for a duplex residential structure and three for a tri-plex residential structure.

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

"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 Residential Units assigned to each Developed Parcel.

"Maximum Annual Special Tax Rate" means the amount shown in **Attachment 1** for a 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.

"Mixed Use Parcel" means a Parcel with a building permit for a mix of uses, which includes residential uses. The number of Residential Units assigned to a Mixed Use Parcel is determined at building permit issuance for the original structure, or by subsequent building permits issued for further tenant improvements.

"Mobile Home Park Parcel" means a Parcel with a special use permit for a mobile home park. The number of Residential Units assigned to the Mobile Home Park Parcel is determined by the number of spaces available for the placement of mobile homes.

"Multi-Family Residential Parcel" means a Parcel with a building permit for multi-family residential use. The number of Residential Units assigned to a Multi-Family Residential Parcel is determined at building permit issuance.

"Non-Residential Use Parcels" means Parcels designated for commercial, industrial, office, or other non-residential uses. Parcels with uses other than residential uses are Tax-Exempt.

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

"Public Parcel" means, except as otherwise provided herein, any Parcel, that is publicly owned, not used for residential purposes, and normally exempt from the levy of general *ad valorem* property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways; public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel shall be a Tax-Exempt Parcel.

"Residential Unit(s)" means the number of taxable residential dwelling units assigned to a Parcel based on its Developed Parcel tax category assignment.

"Single Family Residential Parcel" means a single family residential lot created by the recordation of a final subdivision map, which has a building permit issued for a single family residential dwelling. A Single Family Residential Parcel is assigned one Residential Unit.

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

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

"Tax Escalation Factor" means an annual percentage increase in the Maximum Annual Special Tax Rate based upon the Consumer Price Index (CPI) (prior calendar year annual average, San Francisco, All Urban Consumers (CPI-U) Index, not to exceed 4% in any given year.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are (i) Public Parcels including developed parcels acquired by a public agency (subject to the limitations set forth in Section 4, below), (ii) Undeveloped Parcels, or (iii) Non-Residential Use Parcels. Privately owned Parcels that are non-developable, such as common areas, wetlands, and open space, are exempt from the levy of Special Taxes as determined by the City.

"Undeveloped Parcel" means a Parcel that is not a Developed Parcel or a Non-Residential Use Parcel.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the service tax in perpetuity.

4. Assignment of Maximum Annual Special Tax

A. **Classification of Parcels.** By June 30 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 classify each Parcel as a Tax-Exempt Parcel or Taxable Parcel. Only Taxable Parcels are subject to the Special Tax according to the formula detailed below.

It shall be the burden of the taxpayer to timely correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

B. Assignment of Maximum Annual Special Tax.

By August 1 of each Fiscal Year, using the Definitions from **Section 2** and the Maximum Annual Special Tax Rates from **Attachment 1**, the Finance Director shall assign the Maximum Annual Special Taxes to Parcels as follows:

- 1) **Developed Parcels:** Parcels shall be assigned a Maximum Annual Special Tax using the following steps. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor in each Fiscal Year after the Base Fiscal Year.
 - a. **Single Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Single Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - b. **Duplex/Half-Plex/Tri-plex Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Duplex/Half-Plex/Tri-plex Residential Parcels by the number of Residential Units assigned to the Parcel.
 - c. **Multi-Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Multi-Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - d. **Condominium/Townhouse Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Condominium/Townhouse Parcels by the number of Residential Units assigned to the Parcel.
 - e. **Mixed Use Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mixed Use Parcels by the number of Residential Units assigned to the Parcel.
 - f. **Mobile Home Park Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mobile Home Park Parcels by the number of Residential Units assigned to the Parcel.
- 2) **Annexation Parcels:** The City will require the periodic annexation of Parcels to the CFD. When Parcels are annexed to the CFD, the City will first determine if they are Taxable or Tax-Exempt, using the Definitions in **Section 2**. For Developed Parcels, the City will assign the number of Residential Units for each Parcel based on Assessor Parcel records, building permit or special use permit records, recorded final subdivision map, or other relevant information obtained

by the City. The City then shall assign a Maximum Annual Special Tax Rate to Developed Parcels using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.

- 3) **Conversion of a Tax-Exempt Parcel to a Taxable Parcel:** If a Public Parcel is not needed for public use and is converted to private residential use, it shall become subject to the Special Tax. A Maximum Annual Special Tax Rate will be assigned using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.
- 4) **Taxable Parcels Acquired by a Public Agency:** A Taxable Parcel that is acquired by a public agency after the CFD is formed will be re-classified as Tax-Exempt provided it is determined by the City in the exercise of its sole discretion, that it is no longer used for residential purposes.

5. Calculating Annual Special Taxes

The City shall assign the Maximum Annual Special Tax per Taxable Parcel based on **Attachment 1** as adjusted annually by the Tax Escalation Factor.

The City shall 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 that Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the County 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 timely prove any alleged errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

6. Records Maintained for the CFD

As development takes place within the CFD, the City will maintain a file containing the following information regarding each Parcel:

- The current Parcel Number;
- Whether a final subdivision map has been recorded or whether a building permit or special use permit for residential use has been issued ; and
- The number of residential units assigned to that Parcel.

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

7. Appeals and Interpretation Procedure

Any taxpayer may contest the levy of the Special Tax by filing a written notice of appeal, setting forth with specificity the grounds for appeal, with the City Manager. Any such notice must be filed within thirty (30) days following the formation of the CFD, or annexation of the property that is the subject of the appeal to the CFD; and failure to do so within the time period specified herein constitutes a bar to any such appeal. Grounds for appeal are limited to the following: (i) clerical errors in assigning an amount of tax to a parcel and (ii) an error in defining the use of a parcel or its classification. The City Manager, or designee, shall promptly review the appeal, and if necessary, meet with the appellant.

If the findings of the City Manager verify that the Special Tax should be modified or changed, a recommendation to that effect shall be made to the Council, and as appropriate, the Special Tax levy shall be corrected and, if applicable in such case, a credit for next year's Special Tax levy shall be granted. If the City Manager denies the appeal, the taxpayer may file an appeal of that determination with the Council within fourteen (14) days of the mailing of notification of the City Manager's decision; and failure to do so within the time period specified herein constitutes a bar to such an appeal. The Council may hear the appeal, or refer it to a hearing officer pursuant to Chapter 1.24 of the Sacramento City Code. The hearing on the appeal shall be conducted not more than thirty (30) days following the filing of the appeal of the City Manager's determination. The failure of the Council or the appointed hearing officer to timely hear the appeal, or to render a decision within thirty (30) days following the conclusion of the hearing thereon, shall constitute a denial of the appeal. The determination of the Council or hearing officer on the appeal shall be final for all purposes. The filing of a written notice contesting the levy of the Special Tax or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to any of the terms or provisions of this Rate and Method of Apportionment.

City of Sacramento
Neighborhood Park Maintenance CFD No. 2002-02
Rate and Method of Apportionment
May 17, 2002

Attachment 1
City of Sacramento CFD No. 2002-02
(Neighborhood Park Maintenance)
Maximum Annual Special Tax Rates - Base Fiscal Year [1]

Tax Category	Base Year 2002-2003
	Maximum Annual Special Tax Rate [1] [2]
<u>Developed Parcels [3]</u>	<i>per Residential Unit</i>
Single Family Residential Parcels	\$48.00
Condominium/Townhouse Parcels	\$48.00
Duplex/Half-plex/Tri-plex Residential Parcels	\$48.00
Multi-Family Residential Parcels	\$28.00
Mixed Use Parcels	\$28.00
Mobile Home Park Parcels	\$28.00
<u>Other Uses</u>	
Non-Residential Use Parcels [4]	<i>Tax-Exempt</i>
Undeveloped Parcels [5]	<i>Tax-Exempt</i>
Public Parcels	<i>Tax-Exempt</i>

"attachment_1"

- [1] The Base Fiscal Year for the CFD is Fiscal Year 2002-2003. The Maximum Annual Special Tax Rate will be escalated by the Tax Escalation Factor, not to exceed 4 percent annually thereafter, as determined by the Consumer Price Index.
- [2] The Maximum Annual Special Tax Rate is applied to the Residential Units assigned to each Taxable Parcel. Condominium/Townhouse Residential Parcels and Single Family Residential Parcels are assumed to have one Unit. Multi-Family Residential Parcels, Mixed Use Parcels, and Mobile Home Park Parcels may have more than one Unit assigned to a Parcel. The number of Residential Units assigned to these Parcels will be determined by the final subdivision map, initial building permit, or subsequent building permits for tenant improvements.
- [3] Developed Parcels are residential or mixed use Parcels with a building permit for residential use.
- [4] Non-Residential Use Parcels are commercial, industrial, office, and other non-residential uses.
- [5] Undeveloped Parcels are Parcels that are not classified as a Developed Parcel or Non-Residential Use Parcel.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT B:
LIST OF AUTHORIZED SERVICES

Exhibit B

City of Sacramento, California
Neighborhood Park Maintenance
Community Facilities District No. 2002-02

LIST OF AUTHORIZED SERVICES

The authorized services include those set forth below in addition to the costs associated with collecting and administering the special taxes, and annually administering the District. The special taxes may be levied to pay for any authorized services or to accumulate funds for that purpose. The primary function of the CFD is to fund the maintenance of neighborhood parks in the City of Sacramento. The CFD's authorized services include the following:

1. The maintenance of landscaping, recreation facilities, irrigation facilities, lighting, necessary maintenance equipment, and other appurtenances and improvements within neighborhood parks (including those areas designated as neighborhood serving in conjunctive use park land within drainage detention basins, community, parks, regional parks and parkway systems.)
2. CFD formation and annual administration of the District
3. Other miscellaneous services related to items 1 or 2, including planning, engineering, legal, elections, and administration.



Economic &
Planning Systems

Public Finance

Real Estate Economics

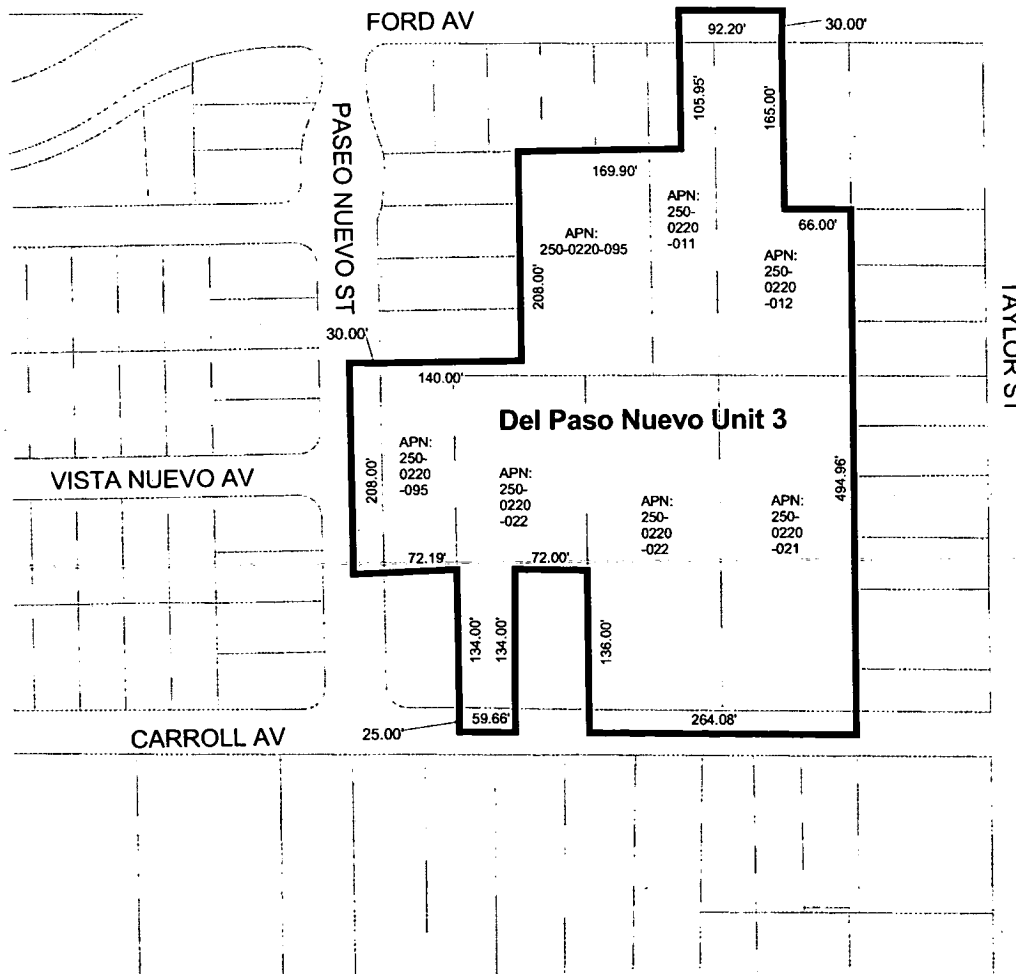
Regional Economics

Land Use Policy

EXHIBIT C:
BOUNDARY MAP

**BOUNDARY MAP
CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02
ANNEXATION NO.2
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

SHEET 1 OF 5



CLERK'S MAP FILING STATEMENT:

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF ____, 2002

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING AMENDED BOUNDARY MAP, CITY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2002-02, 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 ____, 2002, BY ITS RESOLUTION NO. _____

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

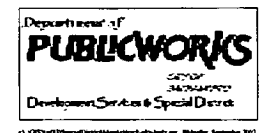
COUNTY RECORDER'S FILING STATEMENT:

FILED THIS ____ DAY OF ____, 2002 AT THE HOUR OF ____ O'CLOCK __ M., IN BOOK ____ OF MAPS OF ASSESSMENT 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

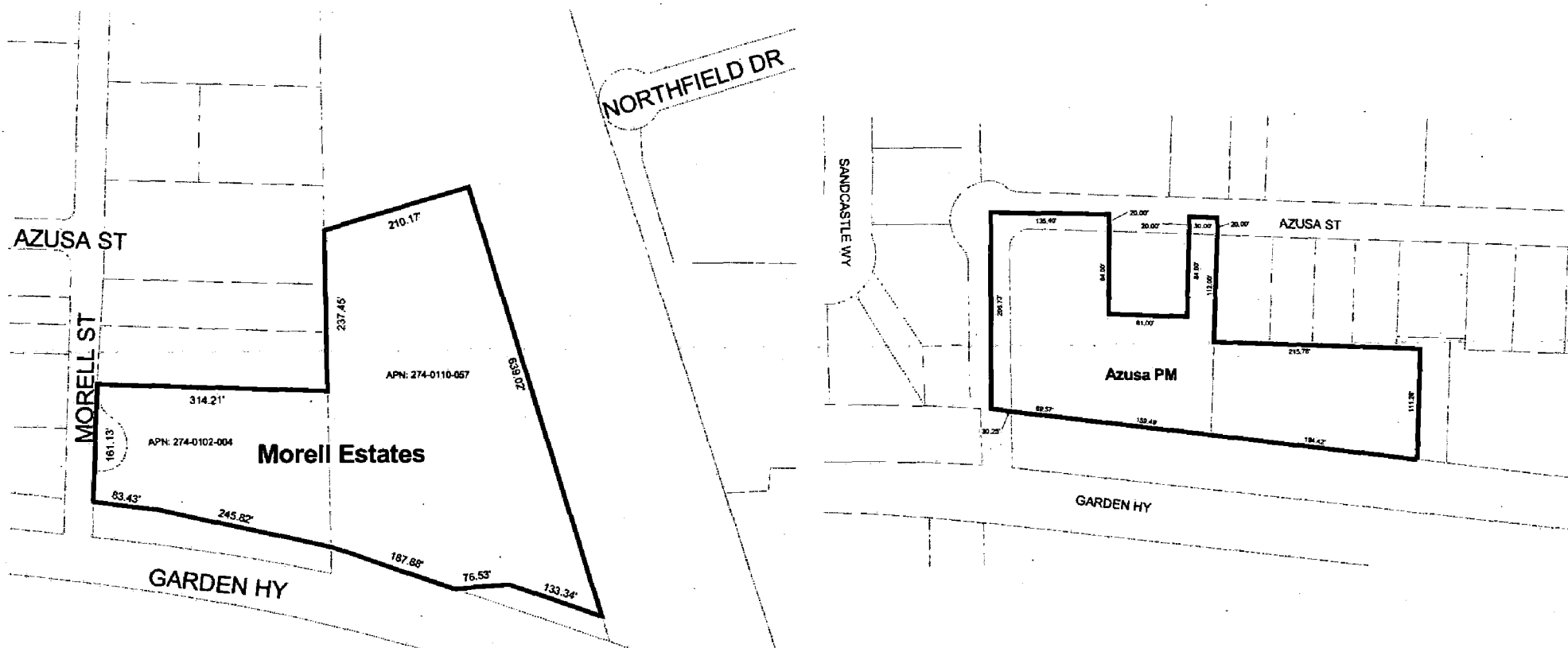
BY: _____ DOCUMENT NO. _____
DEPUTY

Legend	
	Boundary Line
NPD	Not Part of District



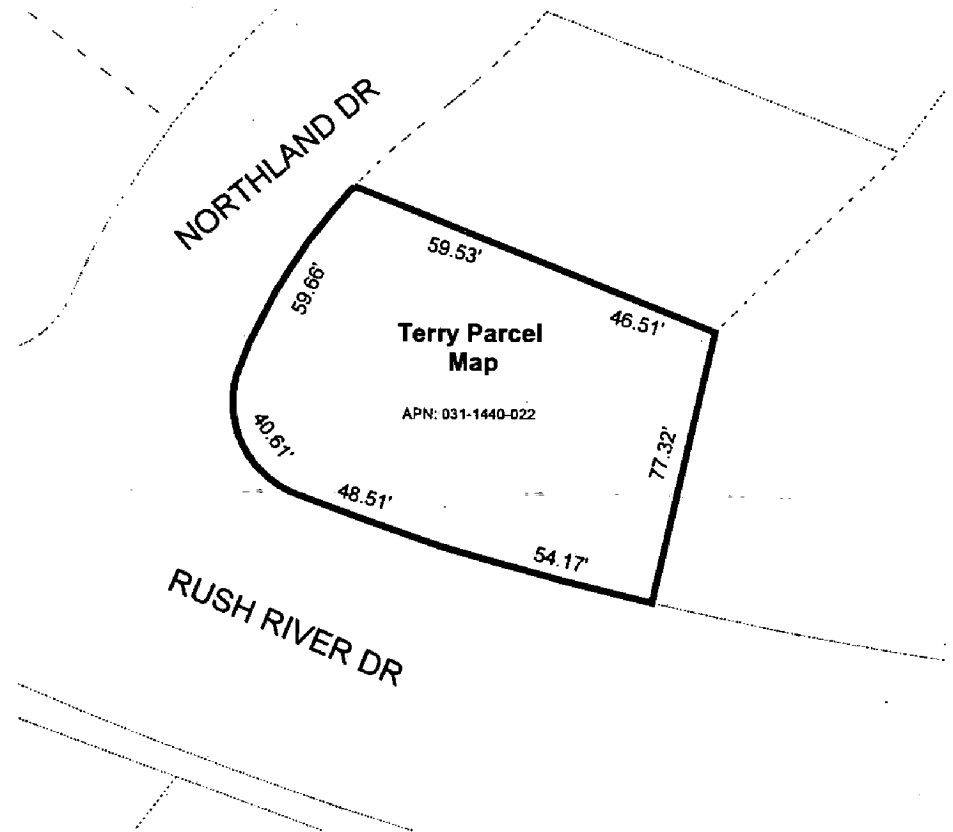
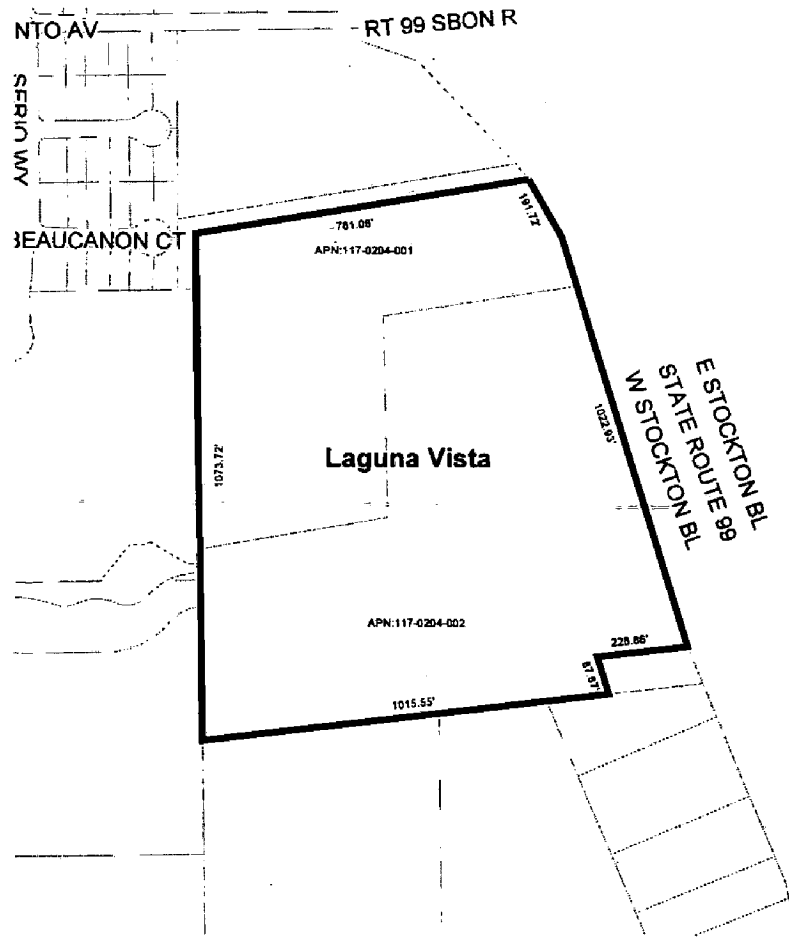
BOUNDARY MAP
CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02
ANNEXATION NO. 2
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SHEET 2 OF 5



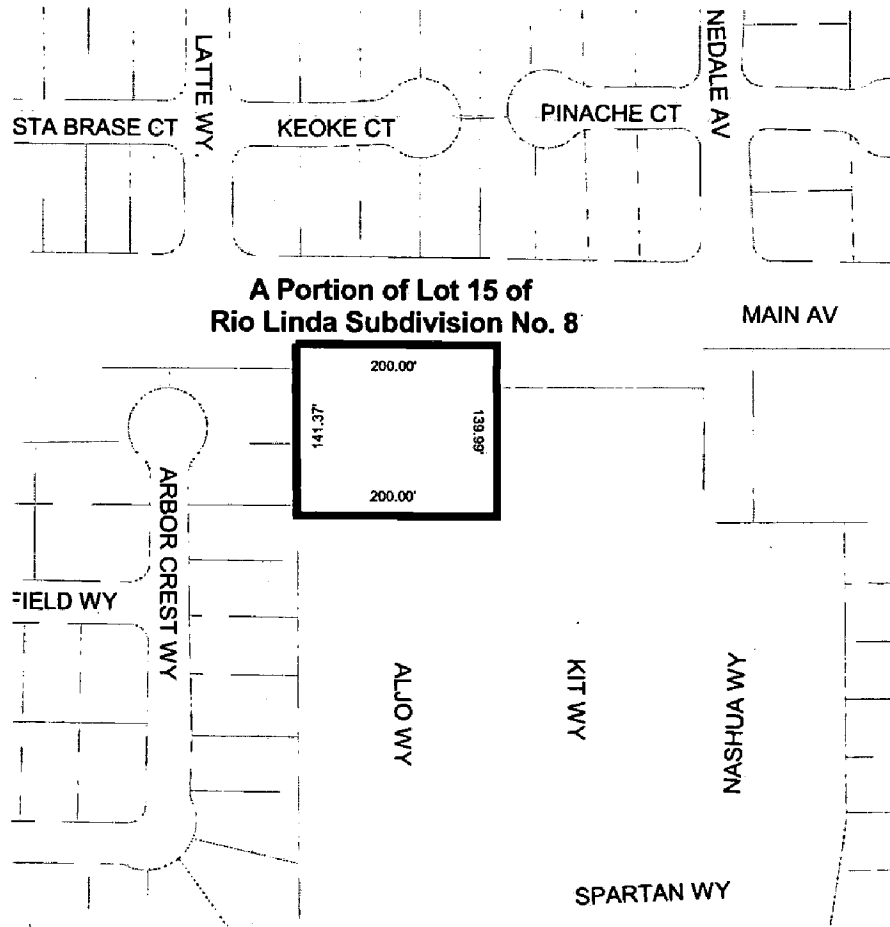
BOUNDARY MAP
CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02
ANNEXATION NO. 2
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SHEET 3 OF 5

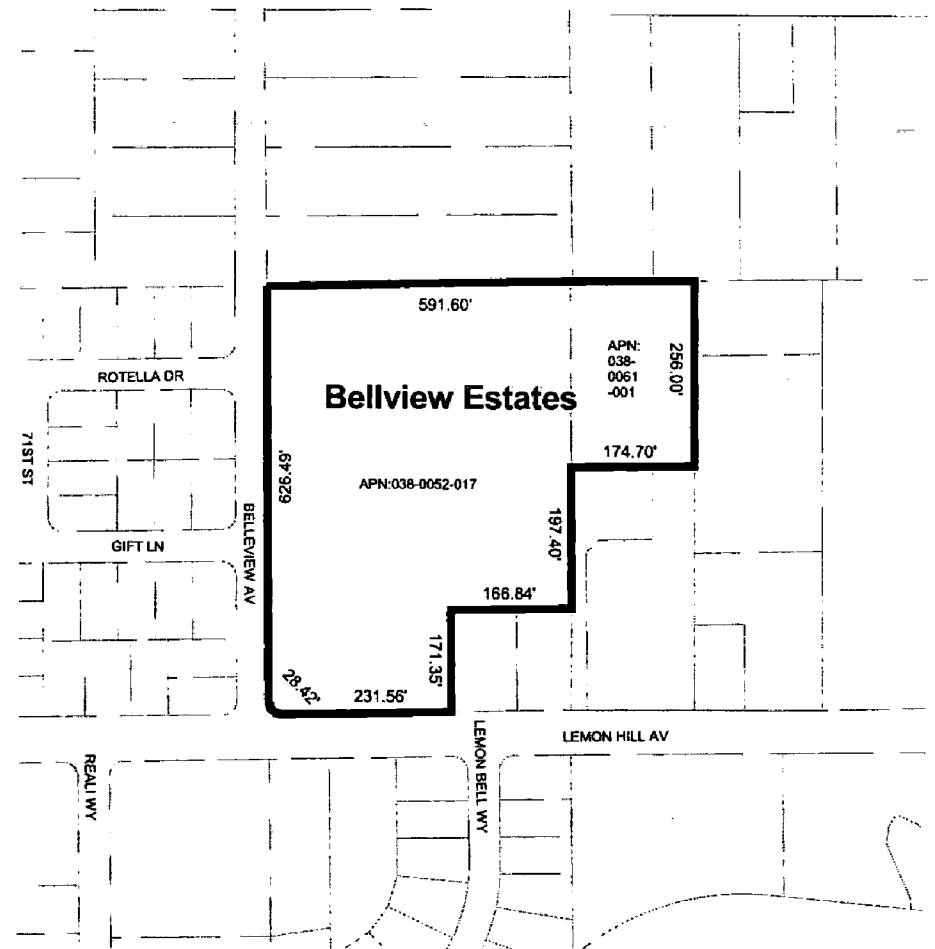


BOUNDARY MAP
CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02
ANNEXATION NO. 2
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SHEET 4 OF 5

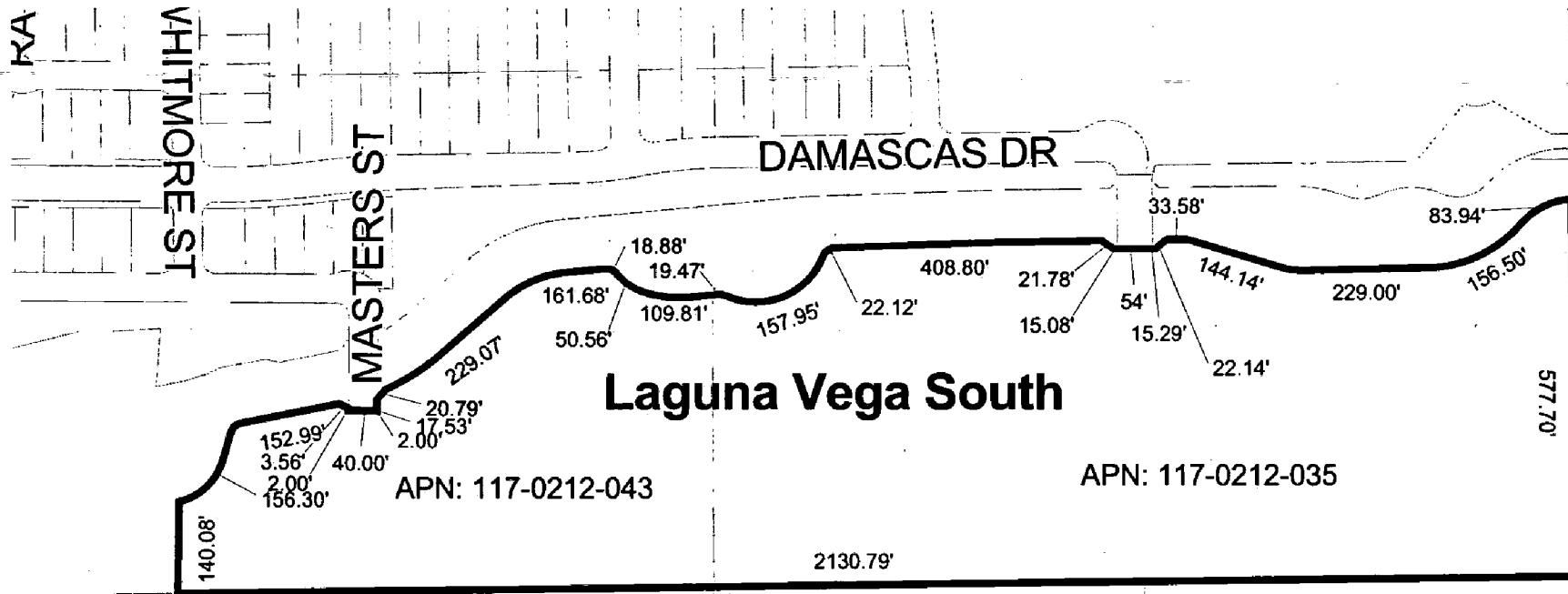


A Portion of Lot 15 of
Rio Linda Subdivision No. 8



BOUNDARY MAP
CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02
ANNEXATION NO. 2
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SHEET 5 OF 5



CITY OF SACRAMENTO

CITY CLERK'S CERTIFICATE OF ELECTION RESULTS
FOR THE SPECIAL MAILED-BALLOT ELECTION HELD
IN THE NEIGHBORHOOD PARKS MAINTENANCE COMMUNITY
FACILITIES DISTRICT NO. 2002-02 ANNEXATION NO. 2, CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
ON DECEMBER 11, 2002

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

I personally counted the ballots cast at the special mailed-ballot, landowner election called by the City Council in its Resolution No. 2002-763, adopted on November 19, 2002, and I hereby certify the result of that count to be as follows:

TOTAL VOTES CAST "YES": 32,61

TOTAL VOTES CAST "NO": 0

TOTAL VOTES CAST: 32,61

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

CAST.

I make this Certification on Dec. 17, 2002.

Valerie A. Burrowes

VALERIE A. BURROWES, City Clerk
of the City of Sacramento

**CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES
DISTRICT NO. 2002-02 ANNEXATION NO. 2
SPECIAL ELECTION BALLOT
FOR THE MAILED-BALLOT ELECTION OF DECEMBER 11, 2002**

This ballot is for the use of D. R. Horton, a landowner within the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, such landowner is entitled to cast 22.36 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 5:00 p.m. on Tuesday, December 11, 2002, to:

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

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

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

BALLOT MEASURE

Shall the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2 be authorized to finance Neighborhood Park maintenance, more fully described in Exhibit A, and shall an appropriations limit in the amount of \$330,000 per fiscal year in connection therewith be established for the maximum rate and method of apportionment as provided in Resolution No. 2002-772, adopted by the City Council on November 26, 2002, which is incorporated herein by reference, be levied to pay for the maintenance of Neighborhood Parks.

Number of Votes

YES

22.36

Number of Votes

NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on December 2, 2002.

By: _____

D. R. Horton, Inc. - Sacramento
[Signature]
Authorized Representative

**CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES
DISTRICT NO. 2002-02 ANNEXATION NO. 2
SPECIAL ELECTION BALLOT
FOR THE MAILED-BALLOT ELECTION OF DECEMBER 11, 2002**

This ballot is for the use of Redevelopment Agency of the City of Sacramento, a landowner within the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, such landowner is entitled to cast 5.29 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 5:00 p.m. on Tuesday, December 11, 2002, to:

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

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

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

BALLOT MEASURE

Shall the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2 be authorized to finance Neighborhood Park maintenance, more fully described in Exhibit A, and shall an appropriations limit in the amount of \$330,000 per fiscal year in connection therewith be established for the maximum rate and method of apportionment as provided in Resolution No. 2002-772 adopted by the City Council on November 26, 2002, which is incorporated herein by reference, be levied to pay for the maintenance of Neighborhood Parks.

Number of Votes

YES

5.29

Number of Votes

NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12-11-2002, 2002.

STEVE E. LIPKIN
By: [Signature]
Authorized Representative

**CITY OF SACRAMENTO
NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES
DISTRICT NO. 2002-02 ANNEXATION NO. 2
SPECIAL ELECTION BALLOT
FOR THE MAILED-BALLOT ELECTION OF DECEMBER 11, 2002**

This ballot is for the use of Sycamore Venture LLC., a landowner within the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, such landowner is entitled to cast 4.96 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 5:00 p.m. on Tuesday, December 11, 2002, to:

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

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

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

BALLOT MEASURE

Shall the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 Annexation No. 2 be authorized to finance Neighborhood Park maintenance, more fully described in Exhibit A, and shall an appropriations limit in the amount of \$330,000 per fiscal year in connection therewith be established for the maximum rate and method of apportionment as provided in Resolution No. 2002-772 adopted by the City Council on November 26, 2002, which is incorporated herein by reference, be levied to pay for the maintenance of Neighborhood Parks.

Number of Votes

YES

X

Number of Votes

NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on December 6, 2002.

Sycamore Ventures, LLC
By: [Signature]
Authorized Representative

Managing member

RECORDING REQUESTED BY

Ron Wicky, City of Sacramento
1231 "I" Street, Room 300
Sacramento, CA 95814
Telephone: (916) 264-5628

WHEN RECORDED MAIL TO:

Ron Wicky, City of Sacramento
1231 "I" Street, Room 300
Sacramento, CA 95814
Telephone: (916) 264-5628



Sacramento County Recording
Mark Norris, Clerk/Recorder

BOOK **20021218** PAGE **1584**

Wednesday, DEC 18, 2002 11:35:36 AM
Ttl Pd \$42.00 Nbr-0001653912

KDL/24/1-11

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) funding the maintenance of Neighborhood Parks in and for the City of Sacramento, County of Sacramento, State of California; and (2) providing such public services.

The special tax is authorized to be levied within the Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No.2, 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 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.

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

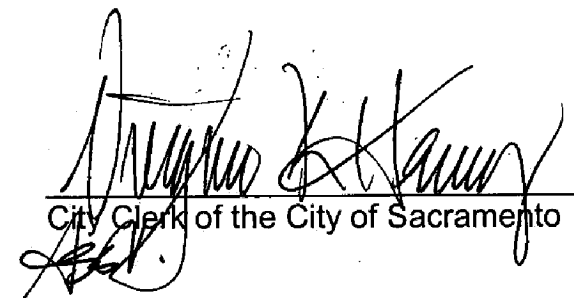
the special tax levy shall become a lien upon all nonexempt real property within the Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No.2, City of Sacramento, County of Sacramento, State of California, in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No.2, 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 (or the amended boundary map) of the Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No.2, City of Sacramento, County of Sacramento, State of California, recorded on October 23, 2002, in Book 95 of Maps of Assessment and Community Facilities Districts at Page 25, 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 Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No.2, 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 Ron Wicky 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) 264-5628).

Dated: December 18, 2002.



City Clerk of the City of Sacramento

Exhibit A

City of Sacramento, California Neighborhood Park Maintenance Community Facilities District No. 2002-02

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 Neighborhood Park Maintenance Community Facilities District No. 2002-02 (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 form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annexation Parcel" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Parcels are required to annex to the District based upon City policy.

"Annual Costs" means for each Fiscal Year, the total of 1) Authorized Services 2) Administrative Expenses; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

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

"Authorized Services" mean those services authorized for funding under the CFD, as listed in the resolution forming the CFD.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 2002 and ending June 30, 2003.

"CFD" means the Neighborhood Park Maintenance Community Facilities District No. 2002-02 of the City of Sacramento, California.

"City" means City of Sacramento, California.

"Condominium/Townhouse Residential Parcel" means a Parcel created by a subdivision map, building permit, or action of the County Assessor, that creates individual condominium or townhouse Parcels. The number of Residential Units assigned to each Condominium/Townhouse Parcel is determined by the number of condominium or townhouse units created by subdivision map or building permit for each Parcel.

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

"County" means the County of Sacramento, California.

"Developed Parcel" means a Parcel that has a recorded final subdivision map or has been issued a building permit or special use permit for the land uses stated below:

Land Use	Developed Parcel Trigger
Single Family Residential Parcel(s)	-Final Subdivision Map
Condominium/Townhouse Residential Parcel(s)	-Final Subdivision Map
Duplex/Half-plex/Tri-plex Residential Parcel(s)	-Building Permit
Multi-Family Residential Parcel(s)	-Building Permit
Mobile Home Park Parcel(s)	-Special Use Permit
Mixed Use Parcel(s)	-Building Permit

"Duplex/Tri-plex Residential Parcel" means a Parcel with a building permit for a duplex or a tri-plex residential use. The number of Residential Units assigned to a Duplex/Tri-plex Residential Parcel is two for a duplex residential structure and three for a tri-plex residential structure.

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

"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 Residential Units assigned to each Developed Parcel.

"Maximum Annual Special Tax Rate" means the amount shown in Attachment 1 for a 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.

"Mixed Use Parcel" means a Parcel with a building permit for a mix of uses, which includes residential uses. The number of Residential Units assigned to a Mixed Use Parcel is determined at building permit issuance for the original structure, or by subsequent building permits issued for further tenant improvements.

"Mobile Home Park Parcel" means a Parcel with a special use permit for a mobile home park. The number of Residential Units assigned to the Mobile Home Park Parcel is determined by the number of spaces available for the placement of mobile homes.

"Multi-Family Residential Parcel" means a Parcel with a building permit for multi-family residential use. The number of Residential Units assigned to a Multi-Family Residential Parcel is determined at building permit issuance.

"Non-Residential Use Parcels" means Parcels designated for commercial, industrial, office, or other non-residential uses. Parcels with uses other than residential uses are Tax-Exempt.

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

"Public Parcel" means, except as otherwise provided herein, any Parcel, that is publicly owned, not used for residential purposes, and normally exempt from the levy of general *ad valorem* property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways; public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel shall be a Tax-Exempt Parcel.

"Residential Unit(s)" means the number of taxable residential dwelling units assigned to a Parcel based on its Developed Parcel tax category assignment.

"Single Family Residential Parcel" means a single family residential lot created by the recordation of a final subdivision map, which has a building permit issued for a single

family residential dwelling. A Single Family Residential Parcel is assigned one Residential Unit.

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

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

"Tax Escalation Factor" means an annual percentage increase in the Maximum Annual Special Tax Rate based upon the Consumer Price Index (CPI) (prior calendar year annual average, San Francisco, All Urban Consumers (CPI-U) Index, not to exceed 4% in any given year.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are (i) Public Parcels including developed parcels acquired by a public agency (subject to the limitations set forth in **Section 4**, below), (ii) Undeveloped Parcels, or (iii) Non-Residential Use Parcels. Privately owned Parcels that are non-developable, such as common areas, wetlands, and open space, are exempt from the levy of Special Taxes as determined by the City.

"Undeveloped Parcel" means a Parcel that is not a Developed Parcel or a Non-Residential Use Parcel.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the service tax in perpetuity.

4. Assignment of Maximum Annual Special Tax

A. **Classification of Parcels.** By June 30 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 classify each Parcel as a Tax-Exempt Parcel or Taxable Parcel. Only Taxable Parcels are subject to the Special Tax according to the formula detailed below.

It shall be the burden of the taxpayer to timely correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

B. Assignment of Maximum Annual Special Tax.

By August 1 of each Fiscal Year, using the Definitions from **Section 2** and the Maximum Annual Special Tax Rates from **Attachment 1**, the Finance Director shall assign the Maximum Annual Special Taxes to Parcels as follows:

- 1) **Developed Parcels:** Parcels shall be assigned a Maximum Annual Special Tax using the following steps. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor in each Fiscal Year after the Base Fiscal Year.
 - a. **Single Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Single Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - b. **Duplex/Half-Plex/Tri-plex Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Duplex/Half-Plex/Tri-plex Residential Parcels by the number of Residential Units assigned to the Parcel.
 - c. **Multi-Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Multi-Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - d. **Condominium/Townhouse Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Condominium/Townhouse Parcels by the number of Residential Units assigned to the Parcel.
 - e. **Mixed Use Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mixed Use Parcels by the number of Residential Units assigned to the Parcel.
 - f. **Mobile Home Park Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mobile Home Park Parcels by the number of Residential Units assigned to the Parcel.
- 2) **Annexation Parcels:** The City will require the periodic annexation of Parcels to the CFD. When Parcels are annexed to the CFD, the City will first

determine if they are Taxable or Tax-Exempt, using the Definitions in **Section 2**. For Developed Parcels, the City will assign the number of Residential Units for each Parcel based on Assessor Parcel records, building permit or special use permit records, recorded final subdivision map, or other relevant information obtained by the City. The City then shall assign a Maximum Annual Special Tax Rate to Developed Parcels using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.

- 3) **Conversion of a Tax-Exempt Parcel to a Taxable Parcel**: If a Public Parcel is not needed for public use and is converted to private residential use, it shall become subject to the Special Tax. A Maximum Annual Special Tax Rate will be assigned using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.
- 4) **Taxable Parcels Acquired by a Public Agency**: A Taxable Parcel that is acquired by a public agency after the CFD is formed will be re-classified as Tax-Exempt provided it is determined by the City in the exercise of its sole discretion, that it is no longer used for residential purposes.

5. Calculating Annual Special Taxes

The City shall assign the Maximum Annual Special Tax per Taxable Parcel based on **Attachment 1** as adjusted annually by the Tax Escalation Factor.

The City shall 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 that Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the County 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 timely prove any alleged errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

6. Records Maintained for the CFD

As development takes place within the CFD, the City will maintain a file containing the following information regarding each Parcel:

- The current Parcel Number;

- Whether a final subdivision map has been recorded or whether a building permit or special use permit for residential use has been issued ; and
- The number of residential units assigned to that Parcel.

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

7. Appeals and Interpretation Procedure

Any taxpayer may contest the levy of the Special Tax by filing a written notice of appeal, setting forth with specificity the grounds for appeal, with the City Manager. Any such notice must be filed within thirty (30) days following the formation of the CFD, or annexation of the property that is the subject of the appeal to the CFD; and failure to do so within the time period specified herein constitutes a bar to any such appeal. Grounds for appeal are limited to the following: (i) clerical errors in assigning an amount of tax to a parcel and (ii) an error in defining the use of a parcel or its classification. The City Manager, or designee, shall promptly review the appeal, and if necessary, meet with the appellant.

If the findings of the City Manager verify that the Special Tax should be modified or changed, a recommendation to that effect shall be made to the Council, and as appropriate, the Special Tax levy shall be corrected and, if applicable in such case, a credit for next year's Special Tax levy shall be granted. If the City Manager denies the appeal, the taxpayer may file an appeal of that determination with the Council within fourteen (14) days of the mailing of notification of the City Manager's decision; and failure to do so within the time period specified herein constitutes a bar to such an appeal. The Council may hear the appeal, or refer it to a hearing officer pursuant to Chapter 1.24 of the Sacramento City Code. The hearing on the appeal shall be conducted not more than thirty (30) days following the filing of the appeal of the City Manager's determination. The failure of the Council or the appointed hearing officer to timely hear the appeal, or to render a decision within thirty (30) days following the conclusion of the hearing thereon, shall constitute a denial of the appeal. The determination of the Council or hearing officer on the appeal shall be final for all purposes. The filing of a written notice contesting the levy of the Special Tax or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to any of the terms or provisions of this Rate and Method of Apportionment.

City of Sacramento
Neighborhood Park Maintenance CFD No. 2002-02
Rate and Method of Apportionment
May 17, 2002

Attachment 1
City of Sacramento CFD No. 2002-02
(Neighborhood Park Maintenance)
Maximum Annual Special Tax Rates - Base Fiscal Year [1]

Tax Category	Base Year 2002-2003 Maximum Annual Special Tax Rate [1] [2]
<u>Developed Parcels [3]</u>	<u><i>per Residential Unit</i></u>
Single Family Residential Parcels	\$48.00
Condominium/Townhouse Parcels	\$48.00
Duplex/Half-plex/Tri-plex Residential Parcels	\$48.00
Multi-Family Residential Parcels	\$28.00
Mixed Use Parcels	\$28.00
Mobile Home Park Parcels	\$28.00
<u>Other Uses</u>	
Non-Residential Use Parcels [4]	<i>Tax-Exempt</i>
Undeveloped Parcels [5]	<i>Tax-Exempt</i>
Public Parcels	<i>Tax-Exempt</i>

"attachment_1"

- [1] The Base Fiscal Year for the CFD is Fiscal Year 2002-2003. The Maximum Annual Special Tax Rate will be escalated by the Tax Escalation Factor, not to exceed 4 percent annually thereafter, as determined by the Consumer Price Index.
- [2] The Maximum Annual Special Tax Rate is applied to the Residential Units assigned to each Taxable Parcel. Condominium/Townhouse Residential Parcels and Single Family Residential Parcels are assumed to have one Unit. Multi-Family Residential Parcels, Mixed Use Parcels, and Mobile Home Park Parcels may have more than one Unit assigned to a Parcel. The number of Residential Units assigned to these Parcels will be determined by the final subdivision map, initial building permit, or subsequent building permits for tenant improvements.
- [3] Developed Parcels are residential or mixed use Parcels with a building permit for residential use.
- [4] Non-Residential Use Parcels are commercial, industrial, office, and other non-residential uses.
- [5] Undeveloped Parcels are Parcels that are not classified as a Developed Parcel or Non-Residential Use Parcel.

EXHIBIT B**NEIGHBORHOOD PARK MAINTENANCE CFD
ANNEXATION #2**

APN	OWNER
117-0210-035	DR Horton
117-0210-043	DR Horton
274-0092-020	Laura M. Randles
274-0092-026	Laura M. Randles
038-0052-017	Skyline Enterprise
038-0061-001	Skyline Enterprise
117-0204-002	Woodside Laguna Vista
250-0220-100	Del Paso Nuevo Unit 1 Development, LLC
250-0220-101	Del Paso Nuevo Unit 1 Development, LLC
250-0220-102	Del Paso Nuevo Unit 1 Development, LLC
250-0220-103	Del Paso Nuevo Unit 1 Development, LLC
250-0220-104	Del Paso Nuevo Unit 1 Development, LLC
250-0220-105	Del Paso Nuevo Unit 1 Development, LLC
250-0220-106	Del Paso Nuevo Unit 1 Development, LLC
250-0220-107	Del Paso Nuevo Unit 1 Development, LLC
250-0220-108	Del Paso Nuevo Unit 1 Development, LLC
250-0220-109	Del Paso Nuevo Unit 1 Development, LLC
250-0220-110	Del Paso Nuevo Unit 1 Development, LLC
250-0220-112	Del Paso Nuevo Unit 1 Development, LLC
250-0220-113	Del Paso Nuevo Unit 1 Development, LLC
250-0220-114	Del Paso Nuevo Unit 1 Development, LLC
250-0220-115	Del Paso Nuevo Unit 1 Development, LLC
250-0220-116	Del Paso Nuevo Unit 1 Development, LLC
250-0220-117	Del Paso Nuevo Unit 1 Development, LLC
250-0220-118	Del Paso Nuevo Unit 1 Development, LLC
250-0220-119	Del Paso Nuevo Unit 1 Development, LLC
250-0220-120	Del Paso Nuevo Unit 1 Development, LLC
250-0220-121	Del Paso Nuevo Unit 1 Development, LLC
250-0220-122	Del Paso Nuevo Unit 1 Development, LLC
250-0220-123	Del Paso Nuevo Unit 1 Development, LLC
250-0220-124	Del Paso Nuevo Unit 1 Development, LLC
250-0220-125	Del Paso Nuevo Unit 1 Development, LLC
274-0102-004	Sycamore Venture
274-0110-057	Sycamore Venture
031-1440-022	Timothy L. Terry
237-0022-008	Emit Lewis