Item No. 16

"To Be Delivered" Material

For

City of Sacramento

City Council
Housing Authority
Redevelopment Agency
Economic Development Commission
Sacramento City Financing Authority

Agenda Packet

Submitted: August 30, 2007

For the Meeting of: September 4, 2007

The attached materials were not available at the time the Agenda Packet was prepared.

Subject: Formation Proceedings for the Natomas Meadows Community Facilities District (CFD) No. 2007-01 (Noticed on 8-22-07)

Contact Information: Mark Griffin, 808-8788; Michelle Skhal, 808-8704

Please include this "To Be Delivered" material in your agenda packet. This material will also be published to the City's Intranet.
For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604– (916) 808-7200.

Report Transmittal Form

MEETING DATE: September 4, 2007 ☒ **2:00 p.m.** ☐ **6:00 p.m.**

Title: Formation Proceedings for the Natomas Meadows Community Facilities District (CFD) No. 2007-01

Presenting to the following Legislative Bodies:

☒ City Council	☐ Financing Authority
☐ Redevelopment Agency	☐ Economic Development Commission
☐ Housing Authority	☐ Other

Type of Report: (check below)

☐ Administrative Matters	☒ Public Hearing	☐ Information
☐ Special Presentation	Noticing completed:7/31/07	☐ Regional
☐ Consent	☐ Staff	

Special Requirements: (check below)

☒ Majority Vote	☐ Color Inserts (30 sets)
☐ 2/3 Vote	☐ VHS-DVD Presentation
☐ Suspend Competitive Bidding	☐ PowerPoint Presentation
☐ Other	☐ Material On File in Clerks Office

Report Review JAB 8/29/07

Fiscal Impact:

- ☐ Budget Change?
- ☐ General Fund
- ☐ Other Fund
- ☐ Fund Number(s)
- ☐ Change FTE?

Budget Office Review

☒ Yes	☒ No	Resolution
☐ Yes	☒ No	Budget Impact
☐ Yes	☒ No	EB/RB Needed

Policy Issues:

- ☐ Emerging Small Business Development Issues: (ESBD) Note on Report
- ☐ Environmental Issues: Note on Report
- ☐ Legal Issues: Note on Report
- ☐ Other:

Budget Office Comments:

No G.F impact.

Other Comments:

Clerk – Publishing notice of Public Hearing is required

Department:	Planning	**Division:**	PIF
Report Author/Contact:	Mark Griffin	**Phone**	808-8778
Report Coordinator	Michelle Skhal	**Phone:**	808-8704

2008a KSW

REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

PUBLIC HEARING
September 4, 2007

Honorable Mayor and
Members of the City Council

Title: Formation Proceedings for the Natomas Meadows Community Facilities District (CFD) No. 2007-01

Location/Council District: North Natomas – Southeast of Del Paso Road and Gateway Park Boulevard, located in Council District 1 (Location Map, Page 5)

Recommendation: Conduct a public hearing and upon conclusion: 1) adopt a **Resolution** of formation establishing CFD No. 2007-01 and providing for the levy of a special tax; 2) adopt a **Resolution** to incur bonded indebtedness; 3) adopt a **Resolution** calling for a special mailed ballot election on September 28, 2007.

Contact: Mark Griffin, Fiscal Manager, (916) 808-8788; Salina Cheung, Program Specialist, (916) 808-5236

Presenters: N/A

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: Pardee Homes, the property owner of the Natomas Meadows development, has applied to the City to form a CFD to sell bonds. The bond proceeds will partially reimburse the owner for development fees paid and costs incurred for the construction of public infrastructure. Approval of the CFD will authorize the City to sell bonds and to levy the special tax to pay for the bonds.

Policy Considerations: The procedures under which this district is being formed are set forth in title 5, division 2, chapter 2.5 of the Government Code, sections 53311-53368.3, entitled "The Mello-Roos Community Facilities Act of 1982." Formation of the Natomas Meadows CFD is consistent with the City's Strategic Plan to achieve sustainability and enhance livability and to expand economic development throughout the City.

Environmental Considerations: Under the California Environmental Quality Act Guidelines, the formation of community facilities districts does not constitute a project and is therefore exempt from review.

Rationale for Recommendation: The actions in the recommended Resolutions are required by the Mello-Roos Community Facilities Act of 1982 in order to form a CFD.

Financial Considerations: There will be no impact to the general fund. The owner will fund fees and improvements and be reimbursed at a later time if and when sufficient bond proceeds are available.

The bond sale for this district is anticipated to occur during 2008, depending on market conditions, and will not exceed $27,500,000. One bond sale is planned.

Emerging Small Business Development (ESBD): City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: _____
Mark Griffin
Fiscal Manager

Approved by: _____
Carol Shearly
Director of Planning

Recommendation Approved:

_____
Ray Kerridge
City Manager

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ATTACHMENT 1

BACKGROUND

The proposed Natomas Meadows CFD No. 2007-01 consists of approximately 115 gross developable acres. The project includes approximately 637 single-family lots, 120 condominiums, and 135 multifamily units. The proposed CFD encompasses all but the multifamily units on 6.9 acres. Also included in the project are a 13-acre park and a 5-acre detention basin.

The developer proposes to construct the financed improvements in one phase with one bond sale being proposed. Construction is estimated to be completed in 2008.

Purpose of the CFD

The proposed district will finance certain development fees and public improvements within the public right-of-way and adjacent public-utility easements of the major public roads intersecting and/or bordering the district boundary. A full description of the improvements is shown as Exhibits B and C to the resolution of formation establishing the district.

CFD Special Election Proceedings

The proposed district will be formed in compliance with the Mello-Roos Community Facilities District Act of 1982. As part of the formation proceedings, a special election on the special tax is required. In this case, where there are fewer than 12 registered voters, the vote is by landowners, with each landowner having one vote for each acre or portion of an acre he or she owns within the proposed CFD. There is one landowner within this proposed CFD. The City may not levy the tax unless at least two-thirds of the votes cast are in favor of it. A schedule for the CFD proceedings is provided on Attachment 3.

Special Tax Formula

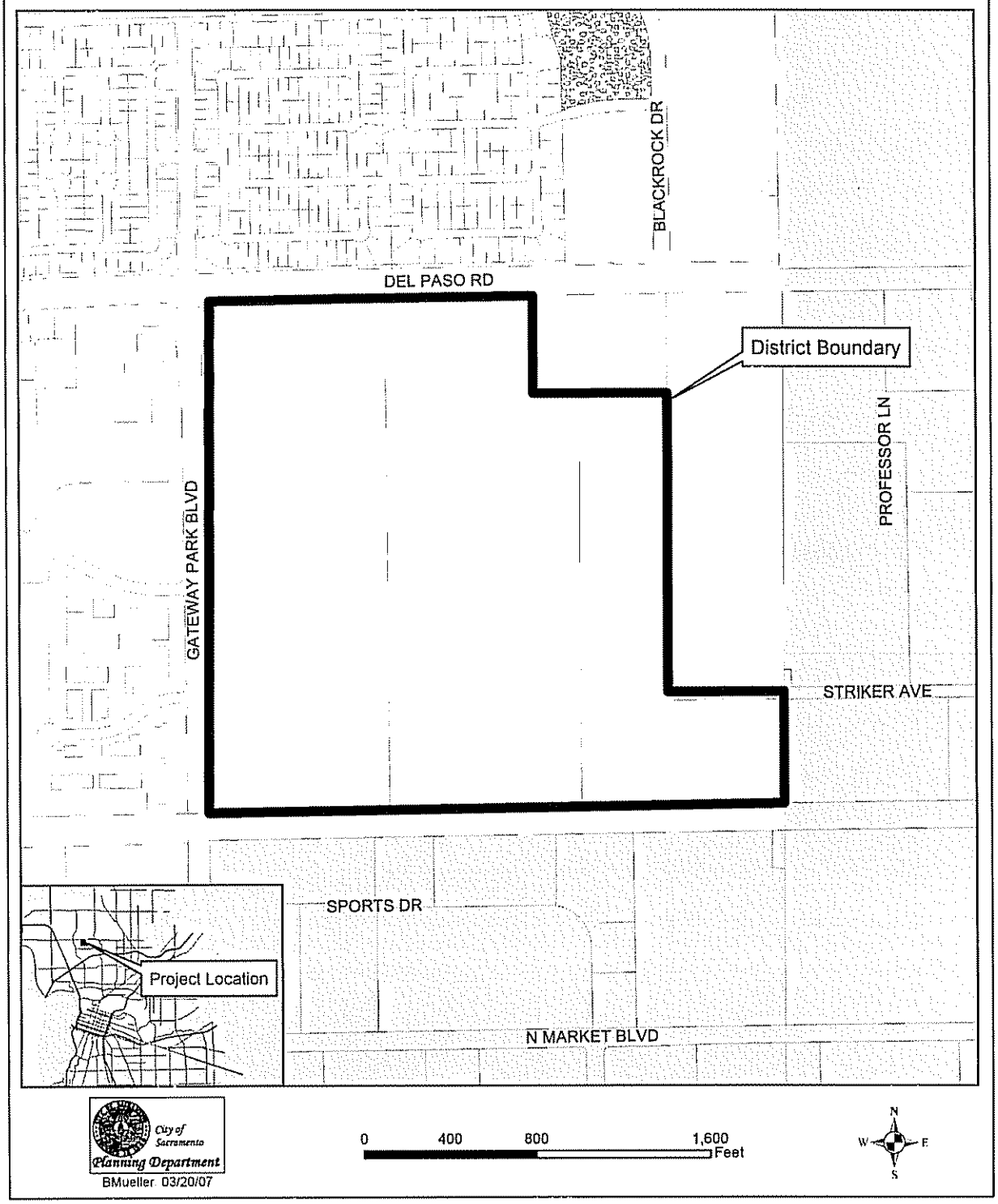
The rate and method of apportionment (RMA) of the special tax is attached as Exhibit D to the resolution formation establishing the district. The special tax is applied to both developed and undeveloped properties. The maximum special-tax rates for developed properties are shown in section C, table 1 of the RMA. The maximum special-tax rate for residential property ranges from $842 to $2,613 per residential unit, depending on tax zone and floor space. The maximum special-tax rate for undeveloped property ranges from $26,235 to $50,943 per acre depending on tax zone. The rates escalate 2% annually to compensate for inflation.

Council Action

On July 17, 2007, the City Council adopted Resolution No. 2007-510 that initiated the formation proceedings, declared its intention to levy a special tax, adopted the CFD boundary map, and set August 21, 2007, as the date for the public hearing. The August 21, 2007 hearing was continued to September 4, 2007. Also, on July 17, 2007, the City Council adopted Resolution No. 2007-509 that declared its intention to incur bonded indebtedness. The action before you will establish the authority to incur bond debt.

ATTACHMENT 2

Natomas Meadows CFD No. 2007-01 Location Map



ATTACHMENT 3

SCHEDULE OF FORMATION PROCEEDINGS

PROPOSED
NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT
(CFD) NO. 2007-01

July 17,2007	City Council – Initiate Proceedings o Adopt Resolution Approving Agreement for Legal Services o Adopt Resolution of Intention To Form CFD and Levy Special Tax (sets hearing date and approves boundary map) o Adopt Resolution of Intention to Incur Bonded Indebtedness
July 18, 2007	Mail and Publish Notice of Hearing and record Boundary Map
September 4, 2007	City Council – Public Hearing and Notice for a Special Election o Conduct Public Hearing o Adopt Resolutions approving various Joint Community Facilities Agreements (if needed) o Adopt Resolution of Formation o Adopt Resolution to Incur Debt o Adopt Resolution Calling Special Election
September 5, 2007	Mail Special Election Ballots
September 28, 2007	Special Election Ballots Due
October 9, 2007	City Council o Adopt Resolution Declaring Results of Special Election o Pass for Publication Ordinance to Levy Tax
October 10, 2007	Record Notice of "Special Tax"
October 16, 2007	City Council o Adopt Ordinance to Levy Special Tax

ATTACHMENT 4

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION OF FORMATION ESTABLISHING NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND PROVIDING FOR THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE CERTAIN PUBLIC AGENCY DEVELOPMENT FEES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES

BACKGROUND

A. The City Council (the "Council") of the City of Sacramento (the "City") duly adopted its Resolution No. 2007-510 (the "Resolution of Intention") on July 17, 2007 wherein the Council declared its intention to and proposed to establish a community facilities district within its jurisdictional boundaries 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 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), to finance the acquisition and construction of certain public capital facilities and of certain governmental development fees for public capital facilities.

B. In the Resolution of Intention the Council approved the boundary map, as provided for and described in California Streets and Highways Code Section 3110, entitled "Proposed Boundaries of Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California" (the "Boundary Map") as shown in Exhibit A thereto (the same Exhibit A is also attached to this Resolution and incorporated herein by this reference), and the Boundary Map was recorded on July 19, 2007 in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Sacramento in Book 108 at Page 0002.

C. The Resolution of Intention fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the Council to consider the establishment of the Community Facilities District, the authorization of a special tax to be levied and collected within the Community Facilities District (the "Special Tax"), the proposed

rate, method of apportionment and manner of collection of the Special Tax; the facilities and fees proposed to be authorized to be paid for with the proceeds of the Special Tax collections, the establishment of an appropriations limit for the Community Facilities District, and all other matters set forth in the Resolution of Intention.

D. The Manager of the Public Improvement Finance Division of the City submitted a report (the "Hearing Report") to the Council on the need for and estimated cost of the proposed facilities to be financed directly or through the payment of the governmental development fees, and certain other matters, in accordance with the Resolution of Intention. The Council has reviewed the Hearing Report, and it is incorporated herein by this reference and made a part of the record of the Public Hearing.

E. Pursuant to the Resolution of Intention, the Public Hearing was set by the Council for Tuesday, the 21st day of August, 2007, at the hour of two o'clock P.M., in the Council Chambers at the Sacramento City Hall at 915 "I" Street, Sacramento, California.

F. At the time and place set for the Public Hearing on August 21, 2007, the Council continued the Public Hearing to September 4, 2007 to be held at the same time and place. A Notice of Continuance of Public Hearing was posted by the City Clerk at or near the Council chamber door no later than 24 hours after the continuance of the Public Hearing and a Certificate of Posting Notice of Continuance of Public Hearing is on file with the City Clerk.

G. On September 4, 2007, at or shortly after the time set for the continued Public Hearing, the Council opened the Public Hearing to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of the Special Tax, the fees and facilities proposed to be financed, the establishment of the appropriations limit, and all other matters set forth in the Resolution of Intention. All persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and to be heard, and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the establishment of the Community Facilities District and the levy of the Special Tax, or the extent of the Community Facilities District, or the financing of any of the proposed facilities, or the financing of any of the governmental fees, or the establishment of the appropriations limit for the Community Facilities District, or any other matters set forth in the Resolution of Intention, was heard and considered.

H. All registered voters residing within the boundaries of the proposed Community Facilities District, if any, and all owners of land within the boundaries of the proposed Community Facilities District that would not be exempt from the proposed levy of Special Tax, were allowed to submit written protests to any aspect of the proposals contained in the Resolution of Intention, and permitted to withdraw their protests prior to the close of the Public Hearing.

I. There are on file with the Clerk a proof of publication of the Notice of Public Hearing in the *DAILY RECORDER,* a Certificate of Mailing of Notice of Public Hearing showing mailed notice to the owners of land within the Community Facilities District, a Certificate of Posting Notice of Continuance of Public Hearing and a Certificate of Mailing Letter Notifying Continuance of Public Hearing to the property owners within the Community Facilities District.

J. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

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

Section 2. Except to the extent inconsistent with this Resolution, the Resolution of Intention is reaffirmed, and its provisions and findings are, to that same extent, incorporated herein by this reference.

Section 3. The Council accepts the proof of publication of the Notice of Public Hearing, the Certificate of Mailing the Notice of Public Hearing, the Certificate of Posting Notice of Continuance of Public Hearing and a Certificate of Mailing Letter Notifying Continuance of Public Hearing, and finds, based thereon, that proper notice of the Public Hearing has been given in accordance with the California Government Code, and that the Public Hearing was conducted with proper and legal notice in all respects.

Section 4. The Council finds and determines that at the close of the Public Hearing, written protests, if any, to the establishment of the Community Facilities District, or to the levy of the Special Tax, or to the extent of the Community Facilities District, or to the acquisition and construction of any of the facilities described in the Resolution of Intention, or to the financing of any of the governmental fees, or to the establishment of the appropriations limit for the Community Facilities District, or to any other matters contained in the Resolution of Intention, were submitted by less than 50 percent of the registered voters, or by less than six of the registered voters, if any, residing within the Community Facilities District. Similarly, the Council finds that at the close of the Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the Special Tax. Thus, the Council finds that it is not precluded, by the Act, from proceeding further in this matter. The Council hereby further orders and determines that all protests to the establishment of the Community Facilities District, or the levy of the Special Tax proposed to be levied therein, or the extent of the Community Facilities District, or the acquisition and construction of any of the described facilities, or the financing of any of the governmental fees, or the establishment of the appropriations limit for the Community Facilities District, that may have been submitted, have been considered and are hereby overruled.

Section 5. The facilities and governmental fees authorized to be financed by and through the Community Facilities District are those shown on Exhibit B attached hereto, which by this reference is incorporated herein and made a part of this Resolution. The Council finds that the authorized facilities and fees do not in any way exceed the description of the authorized facilities and fees proposed in the Resolution of Intention. All of the facilities have an estimated useful life of five (5) years or longer, and are facilities that the City is authorized by law to construct, own or operate or to which it may contribute revenue; and those facilities, as well as the facilities to be provided through the governmental fees of the City, are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur within the Community Facilities District. This authorization to finance the acquisition and construction of 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 debt (as defined in the Act, "Debt"), the determination of the amount of any Special Taxes or the collection or payment of any Special Taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the facilities. A representative list of incidental expenses proposed to be incurred are set forth on Exhibit C attached hereto, which by this reference is incorporated herein and made a part of this Resolution.

Section 6. The proposed Rate and Method of Apportionment of the Special Tax of the Community Facilities District (the "RMA") shall be as set forth in Exhibit D, attached hereto and incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of the Special Tax in sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay for the acquisition and construction of the facilities and the payment of the governmental fees. The Council finds that the RMA does not in any way exceed the description of the proposed Rate and Method of Apportionment of the Special Tax described in the Resolution of Intention. As required by the Act: (1) the maximum authorized special tax for financing the acquisition and construction of the facilities and the governmental development fees that may be levied against any parcel of land used for private residential purposes (which use commences no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount and shall not increase by more than two percent (2%) per year; (2) the special tax shall not be levied against such property after Fiscal Year 2047-2048 (except that a Special Tax lawfully levied in or before that year and that remains delinquent may be collected in subsequent years); and (3) under no circumstances shall the special tax be increased on such property, as a consequence of delinquencies or defaults by the owner or owners of any other parcel or parcels of land within the Community Facilities District, by more than ten per cent (10%).

Section 7. If the election referred to below results in the approval of the ballot measure described herein, then upon recordation of a Notice of Special Tax Lien

pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the Community Facilities District, which 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 collection of the Special Tax by the Council ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act.

Section 8. Except where funds are otherwise available, the Special Tax, subject to the limits described in the RMA, but otherwise in an amount sufficient to pay for the acquisition and construction of the facilities and the payment of the governmental fees, the making of lease payments for facilities (whether in conjunction with the issuance of certificates of participation or not); including the payment of interest on and principal of Debt to be issued to finance the acquisition and construction of the facilities and the payment of the governmental fees, and including the repayment of funds advanced by the City for the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) for advances of funds or for the reimbursement for the lesser of the value or cost of work in-kind provided by any person or entity for the Community Facilities District, will be levied annually within the boundaries of the Community Facilities District.

Section 9. The Special Tax will be collected through the regular County of Sacramento secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular *ad valorem* property taxes; however, the Council reserves the right to utilize any other lawful means of billing, collecting and enforcing the Special Tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the Special Tax lien.

Section 10. Pursuant to Section 53340.1 of the Government Code of the State of California, the Special Tax shall be levied on privately held leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 11. Pursuant to Section 53325.7 of the Government Code of the State of California, and subject to the voter approval requirement contained in that Section, the fiscal year 2007-2008 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIIIB of the California Constitution for the Community Facilities District, and subject to adjustment as provided therein, is established in the amount of $2 million.

Section 12. The Council will submit the authorizations of this Resolution to the qualified electors of the Community Facilities District in a special mailed-ballot election. Based on findings to be formally made by the Council in a Resolution to be adopted this date Calling Mailed-Ballot Election within the Community Facilities District, to which reference is made for further particulars, the qualified electors of the Community Facilities District are the landowners owning property that will not be exempt from the Special Tax within the Community Facilities District, in accordance with Section

53326(b) of the Act.

Section 13. In the opinion of the Council, the public interest will not be served by allowing the property owners in the Community Facilities District to enter into a contract pursuant to Section 53329.5(a) of the Government Code of the State of California to do the work to be financed under the Act.

Section 14. The Manager of the Public Improvement Finance Division of the City, 915 "I" Street, City Hall, Third Floor, Sacramento, CA 95814, telephone (916) 808-8788, will be responsible for annually preparing, or causing to be prepared, the roll of Special Tax levies on the parcels within the Community Facilities District identified by Sacramento County Assessor's parcel numbers, and will be responsible for estimating future Special Tax levies pursuant to Section 53340.2 of the Government Code of the State of California.

Section 15. The Council finds and determines that all proceedings conducted and approved by the Council with respect to the establishment of the Community Facilities District, up to and including the adoption of this Resolution, and the other Resolutions adopted this date in connection with the Community Facilities District, are valid and in conformity with the requirements of the Act, and this determination is final and conclusive for all purposes and is binding upon all persons. Accordingly, the Council finds, determines and orders that the Community Facilities District is hereby established with all of the authorities described and set forth in this Resolution, the exercise of which is subject only to the election.

Section 16. This resolution shall take effect immediately upon its adoption.

EXHIBIT A

[ATTACH A COPY OF THE MAP OF
NATOMAS MEADOWS COMMUNITY FACILITIES
DISTRICT NO. 2007-01,
CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA]

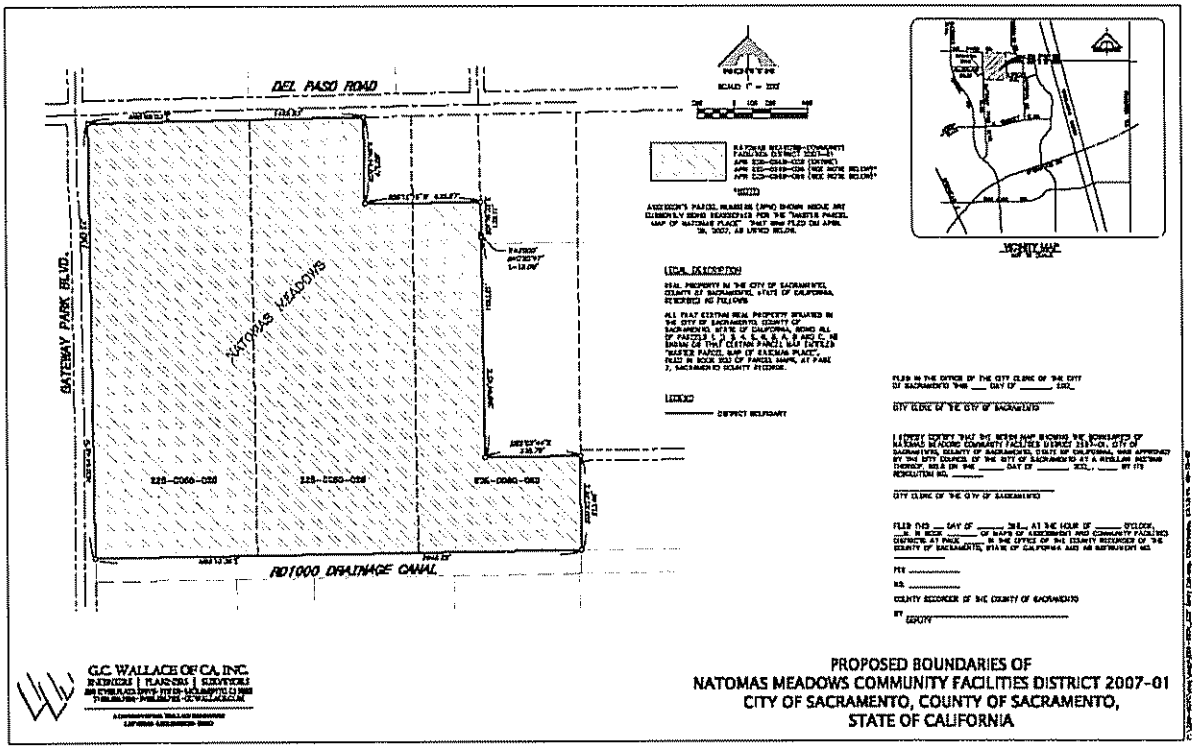


EXHIBIT B

NATOMAS MEADOWS COMMUNITY FACILITIES
DISTRICT NO. 2007-01,
CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA

LIST OF AUTHORIZED FEES AND FACILITIES

MAJOR PUBLIC INFRASTRUCTURE

STREET IMPROVEMENTS (2)

Off-site Major Street Improvements

Del Paso Road (East of Gateway Park Boulevard to West of L Street)

Traffic Signal - Del Paso Road (4-way modification)

Gateway Park Boulevard (North of the Drainage Canal to South Del Paso Road)

Traffic Signal - Gateway Park Boulevard (4-way new)

Gateway Park Boulevard Bridge

On-site Major Street Improvements

M Street (West of Black Rock Road to Terracina Drive)

Terracina Drive (East of Gateway Park Boulevard to M and W Streets intersection)

Black Rock Road (South of M Street to North of Striker Avenue) & Striker Avenue (East of Black Rock Road)

STORM-DRAINAGE IMPROVEMENTS

Stormwater Pump Station Improvements

Village 1

Village 2

Village 5

Village 6

WATER IMPROVEMENTS

12" C900 CL 150/12" Gate Valves

Black Rock/Striker

PARK IMPROVEMENTS

Park

LAND DEDICATIONS

Detention Basin and Pump Station (5.065 acres at $625,000 an acre)

DEVELOPMENT IMPACT FEES

NORTH NATOMAS FEES

Transit Fee

Single-Family
Multi-Family

Public Facilities Fee

Single-Family
Multi-Family

Regional Park Land Acquisition Fee

Single-Family
Multi-Family

CITY FEES

Construction Excise Tax (CET)

All residential

Park Development Impact Fee

All residential

Water Service Tap Fee

Single-Family
Multi-Family

Water Development Fee

Single-Family
Multi-Family

Water Meter Fee

All residential

EXHIBIT C

NATOMAS MEADOWS COMMUNITY FACILITIES
DISTRICT NO. 2007-01,
CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA

REPRESENTATIVE LISTING OF INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS

It is anticipated that the following incidental expenses may be incurred in the proposed legal proceedings for formation of CFD 2007-01, construction or acquisition of the authorized public facilities and related bond financing and will be payable from proceeds of the Bonds or directly from the proceeds of the Special Tax:

- Special tax consultant services
- City, Participating District staff review, oversight and administrative services
- Bond Counsel and Disclosure Counsel services
- Financial advisor services
- Special tax administrator services
- Appraiser/Market absorption consultant services
- Initial bond transfer agent, fiscal agent, registrar and paying agent services, and rebate calculation service set up charge
- Bond printing and Preliminary Official Statement and Official Statement printing and mailing
- Publishing, mailing and posting of notices
- Recording fees
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Governmental notification and filing fees
- Credit enhancement costs
- Rating agency fees
- Continuing disclosure services

The expenses of certain recurring services pertaining to CFD 2007-01 may be included in each annual special tax levy, and these expenses are described in the definition of the term "Administrative Expenses" as set forth in the RMA attached hereafter as Exhibit D.

The foregoing enumeration shall not be regarded as exclusive and shall be deemed to include any other incidental expenses of a like nature which may be incurred from time to time with respect to CFD 2007-01.

EXHIBIT D

CITY OF SACRAMENTO
NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Sacramento Natomas Meadows Community Facilities District No. 2007-01 (herein "CFD No. 2007-01") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2007-01, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2007-01 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with all continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2007-01.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this RMA.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.b below.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2007-01.

"Backup Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.c below.

"Bonds" means any bonds or other debt (as defined in the Act), whether in one or more series, issued, insured, or assumed by CFD No. 2007-01 related to Authorized Facilities.

"Buildable Lot" means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD No. 2007-01" means City of Sacramento Natomas Meadows Community Facilities District No. 2007-01.

"City" means the City of Sacramento.

"City Council" means the City Council of the City of Sacramento.

"County" means the County of Sacramento.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City before June 1 of the previous Fiscal Year.

"Developed Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction was issued prior to June 1 of the preceding Fiscal Year.

"Exempt Property" means:

(1) Public Property, except as otherwise authorized by Sections 53317.3 and 53317.5 of the Act;

(2) Parcels that are owned by a public utility for an unoccupied facility;

(3) Parcels that are subject to an easement or other instrument that precludes any other use on the Parcel; and

(4) Parcels identified as lettered lots on a large lot parcel map because such Parcels are designated as a park site, school site, or other site that will ultimately be owned by a public agency.

"Expected Residential Lot Count" means 120 Buildable Lots of Residential Property in Tax Zone 1, 163 Buildable Lots of Residential Property in Tax Zone 2, 161 Buildable Lots of Residential Property in Tax Zone 3, 168 Buildable Lots of Residential Property in Tax Zone 4, and 145 Buildable Lots of Residential Property in Tax Zone 5 or, as determined by the Administrator, the number of Buildable Lots of Residential Property in the applicable Tax Zone based on the most recently recorded Final Map or modified Final Map.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that created Buildable Lots. The term "Final Map" shall not include (i) any large-lot subdivision map, Assessor's Parcel Map, or subdivision map, or portion thereof, that does not create Buildable Lots or (ii) Assessor's Parcels that are designated as remainder parcels.

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

"Indenture" means the bond indenture, fiscal agent agreement, trust agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the Maximum Special Tax determined in accordance with Section C.1.a below that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for a non-residential use.

"Proportionately" means (a) for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property or, if necessary pursuant to Section D below, that the ratio of the increase from the Assigned Special Tax to the Backup Special Tax levy, for those Assessor's Parcels where the Backup Special Tax is greater than the Assigned Special Tax, is equal for Assessor's Parcels of Developed Property; and (b) for Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means any property within the boundaries of CFD No. 2007-01 that is owned by the City, federal government, State of California or other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. Privately owned property that is otherwise constrained by public use and necessity through easement, lease, or license shall be considered Public Property.

"Residential Floor Area" has the same meaning as that defined for the School Mitigation Fee by California Government Code Section 65995 for "Accessible Space," which is "all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area."

"Residential Property" means all Assessor's Parcels of Taxable Property for which a building permit may be issued for purposes of constructing one or more residential dwelling units.

"Residential Unit" means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. A second unit (granny flat) that shares a Parcel with a single family detached unit shall not be considered a Residential Unit for purposes of levying the Special Tax.

"RMA" means this Rate and Method of Apportionment of Special Tax.

"Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2007-01. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture or other legal document that sets forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Tax Zone" means a mutually exclusive geographic area, within which particular Special Tax rates may be levied pursuant to this RMA. Attachment 1 identifies the Tax Zones in CFD No. 2007-01.

"Tax Zone 1" means the geographic area within CFD No. 2007-01 that is specifically identified in Attachment 1 hereto as Tax Zone 1.

"Tax Zone 2" means the geographic area within CFD No. 2007-01 that is specifically identified in Attachment 1 hereto as Tax Zone 2.

"Tax Zone 3" means the geographic area within CFD No. 2007-01 that is specifically identified in Attachment 1 hereto as Tax Zone 3.

"Tax Zone 4" means the geographic area within CFD No. 2007-01 that is specifically identified in Attachment 1 hereto as Tax Zone 4.

"Tax Zone 5" means the geographic area within CFD No. 2007-01 that is specifically identified in Attachment 1 hereto as Tax Zone 5.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2007-01 which are not exempt from the Special Tax pursuant to law or Section F below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel Numbers for all Parcels of Taxable Property. The Administrator shall also determine: (i) within which Tax Zone each Assessor's Parcel is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, and (iii) the Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2007-01 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

b. Assigned Special Tax

The Assigned Special Tax that may be levied in Fiscal Year 2007-08 for each Land Use Class is shown below in Table 1.

Table 1
ASSIGNED SPECIAL TAX
DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area	2007-08 Assigned Special Tax *
Tax Zone 1			
1	Residential Property	> 1,600 sq. ft.	$1,419 per Residential Unit
2	Residential Property	1,300 sq. ft. - 1,600 s.q. ft.	$1,385 per Residential Unit
3	Residential Property	< 1,300 sq. ft.	$842 per Residential Unit
4	Non-Residential Property		$50,943 per Acre
Tax Zone 2			
5	Residential Property	> 1,800 sq. ft.	$1,530 per Residential Unit
6	Residential Property	1,500 sq. ft. - 1,800 sq. ft.	$1,497 per Residential Unit
7	Residential Property	< 1,500 sq. ft.	$1,283 per Residential Unit
8	Non-Residential Property		$29,213 per Acre
Tax Zone 3			
9	Residential Property	> 2,200 sq. ft.	$1,955 per Residential Unit
10	Residential Property	1,951 sq. ft. - 2,200 sq. ft.	$1,795 per Residential Unit
11	Residential Property	1,700 sq. ft. - 1,950 sq. ft.	$1,688 per Residential Unit
12	Residential Property	< 1,700 sq. ft.	$1,421 per Residential Unit
13	Non-Residential Property		$30,807 per Acre
Tax Zone 4			
14	Residential Property	> 2,800 sq. ft.	$2,380 per Residential Unit
15	Residential Property	2,651 sq. ft. - 2,800 sq. ft.	$2,300 per Residential Unit
16	Residential Property	2,501 sq. ft. - 2,650 sq. ft.	$2,186 per Residential Unit
17	Residential Property	2,351 sq. ft. - 2,500 sq. ft.	$2,120 per Residential Unit
18	Residential Property	2,200 sq. ft. - 2,350 sq. ft.	$1,986 per Residential Unit
19	Residential Property	< 2,200 sq. ft.	$1,899 per Residential Unit
20	Non-Residential Property		$27,517 per Acre
Tax Zone 5			
21	Residential Property	> 2,900 sq. ft.	$2,613 per Residential Unit
22	Residential Property	2,601 sq. ft. - 2,900 sq. ft.	$2,459 per Residential Unit
23	Residential Property	2,300 sq. ft. - 2,600 sq. ft.	$2,279 per Residential Unit
24	Residential Property	< 2,300 sq. ft.	$1,785 per Residential Unit
25	Non-Residential Property		$26,235 per Acre

** On July 1, 2008 and each July 1 thereafter, the Assigned Special Taxes shown above shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.*

c. ***Backup Special Tax***

The Backup Special Tax shall be $1,317 per Residential Unit for Residential Property in Tax Zone 1, $1,397 per Residential Unit for Residential Property in Tax Zone 2, $1,713 per Residential Unit for Residential Property in Tax Zone 3, $2,145 per Residential Unit for Residential Property in Tax Zone 4, and $2,350 per Residential Unit for Residential Property in Tax Zone 5.

On July 1, 2008 and each July 1 thereafter, the Backup Special Tax per Residential Unit within each of the Tax Zones shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.

d. ***Mandatory Prepayment***

If, in any Fiscal Year after the City has issued Bonds, a Final Map is proposed that results in a reduction in the Expected Residential Lot Count in the area affected by the Final Map, then the following steps shall be applied:

Step 1: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from property in CFD No. 2007-01 based on the Expected Residential Lot Count prior to the proposed reduction;

Step 2: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from property in CFD No. 2007-01 assuming the Final Map is approved thereby reducing the Expected Residential Lot Count;

Step 3: If the revenues calculated in Step 2 are: (i) less than those calculated in Step 1 and (ii) not sufficient to maintain 110% coverage on the Bonds' debt service, the landowner of the property affected by the Final Map must prepay an amount sufficient to retire a portion of the Bonds and maintain 110% coverage on the Bonds' debt service. The required prepayment shall be calculated using the formula set forth in Section G below. If the mandatory prepayment has not been received by the City prior to the issuance of the first building permit for new construction within the Final Map on which the land use change has occurred, the Administrator shall levy the amount of the mandatory prepayment on the Parcel(s) affected by the land use change or on any of the landowner's Parcel(s) of Undeveloped Property within that Final Map, and if this amount should, in any instance, exceed the Maximum Special Tax as defined herein, it shall nonetheless be

authorized and shall not exceed the maximum special tax as that term is used in the Act.

If the revenues calculated in Step 2 are less than those calculated in Step 1, but the revenues calculated in Step 2 are sufficient to maintain 110% coverage on the Bond's debt service, no such mandatory prepayment will be required. In addition, if the amount determined in Step 2 is higher than that calculated in Step 1, no such mandatory prepayment will be required.

2. Undeveloped Property

The Maximum Special Tax for Undeveloped Property shall be $50,943 per Acre for such property in Tax Zone 1, $29,213 per Acre for such property in Tax Zone 2, $30,807 per Acre for such property in Tax Zone 3, $27,517 per Acre for such property in Tax Zone 4, and $26,235 per Acre for such property in Tax Zone 5. On July 1, 2008 and each July 1 thereafter, the Maximum Special Tax for Undeveloped Property shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.

D. METHOD OF LEVY OF THE SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the applicable Assigned Special Tax as shown in Table 1 above until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying Capitalized Interest that is available under the applicable Indenture.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the levy of the Special Tax on each Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall

be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax for each such Parcel;

Step 4: If additional revenue is needed to meet the Special Tax Requirement after applying the first three steps, the Special Tax shall be levied Proportionately on each Parcel of Public Property, exclusive of property exempt from the Special Tax pursuant to Section F below, up to 100% of the Maximum Special Tax for Undeveloped Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied on any Assessor's Parcel of Residential Property for which a building permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2007-01.

E. MANNER OF COLLECTION OF SPECIAL TAXES

The Special Taxes for CFD No. 2007-01 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section G below and provided further that the City may directly bill the Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and Authorized Facilities to be constructed directly from Special Tax proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2047-2048.

F. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes shall be levied in any Fiscal Year on Exempt Property or on Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section G below.

G. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section G:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined

by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

"Previously Issued Bonds" means all Bonds that have been issued prior to the date of prepayment.

"Public Facilities Requirements" means either $20,000,000 in 2007 dollars, which shall increase on January 1, 2008, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News-Record or other comparable source if the Engineering News-Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2007-01.

1. Prepayment in Full

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 2007-01 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. Attachment 2 herein provides a sample prepayment calculation for a Parcel in Tax Zone 3. The Prepayment Amount shall be calculated as follows (capitalized terms as defined above or below):

Bond Redemption Amount	
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

Step 1: Compute the Assigned Special Tax and Backup Special Tax for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax which is, or could be, charged in the current Fiscal Year. If this Section G is being applied to calculate a prepayment pursuant

to Section C.1.d above, use, for purposes of this Step 1, the amount by which the expected Maximum Special Tax revenues have been reduced below the amount needed to maintain 110% coverage on the Bond's debt service due to the change in land use that necessitated the prepayment.

Step 2: (a) Divide the Assigned Special Tax computed pursuant to Step 1 by the total estimated Assigned Special Taxes for CFD No. 2007-01 based on the Developed Property Special Tax which could be charged, using the rates for the current Fiscal Year, on all expected development through buildout of CFD No. 2007-01, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to Step 1 by the total estimated Backup Special Taxes at buildout of CFD No. 2007-01, excluding any Assessor's Parcels which have been prepaid.

Step 3: Multiply the larger quotient computed pursuant to Step 2(a) or 2(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the ***"Bond Redemption Amount"***).

Step 4: Compute the current Remaining Facilities Costs (if any).

Step 5: Multiply the larger quotient computed pursuant to Step 2(a) or 2(b) by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the ***"Remaining Facilities Amount"***).

Step 6: Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the ***"Redemption Premium"***).

Step 7: Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Bond interest payment date to which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.

Step 8: Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium until the redemption date for the Outstanding Bonds.

Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the ***"Defeasance Requirement"***).

Step 10: The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the ***"Administrative Fees and Expenses"***).

Step 11: If, at the time the prepayment is calculated, the reserve fund is greater than or equal to the reserve requirement, and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the ***"Reserve Fund Credit"***).

Step 12: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the ***"Prepayment Amount"***).

Once a prepayment has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel or Buildable Lot for which a certificate of occupancy has not yet been issued may be partially prepaid. However, such partial prepayment must be made in an amount equal to 25%, 50%, or 75% of the amount of the full prepayment calculated pursuant to Section G.1 above. In calculating the partial prepayment, the Administrator shall round up the amount required for the partial prepayment in order to redeem whole bonds, including any redemption premium.

Upon issuance of a certificate of occupancy for an Assessor's Parcel, no partial prepayments will be accepted for the Parcel. In addition, only one partial prepayment shall be permitted for an Assessor's Parcel or Buildable Lot within CFD No. 2007-01.

The owner of any Assessor's Parcel who desires to make a partial prepayment shall notify the Administrator of the percentage of the Special Tax to be prepaid. The Administrator shall provide the owner with a statement of the amount required for the partial prepayment within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the Administrator shall (i) distribute the remitted prepayment funds according to Section G.1, and (ii) indicate in the records of CFD No. 2007-01 that there has been a partial prepayment of the Special Tax and that a portion of

the Special Tax with respect to such Assessor's Parcel, equal to the un-prepaid percentage of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

H. INTERPRETATION OF SPECIAL TAX FORMULA

Interpretations may be made by resolution of the City Council for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and any definition applicable to CFD No. 2007-01. The City Council's interpretation will be conclusive.

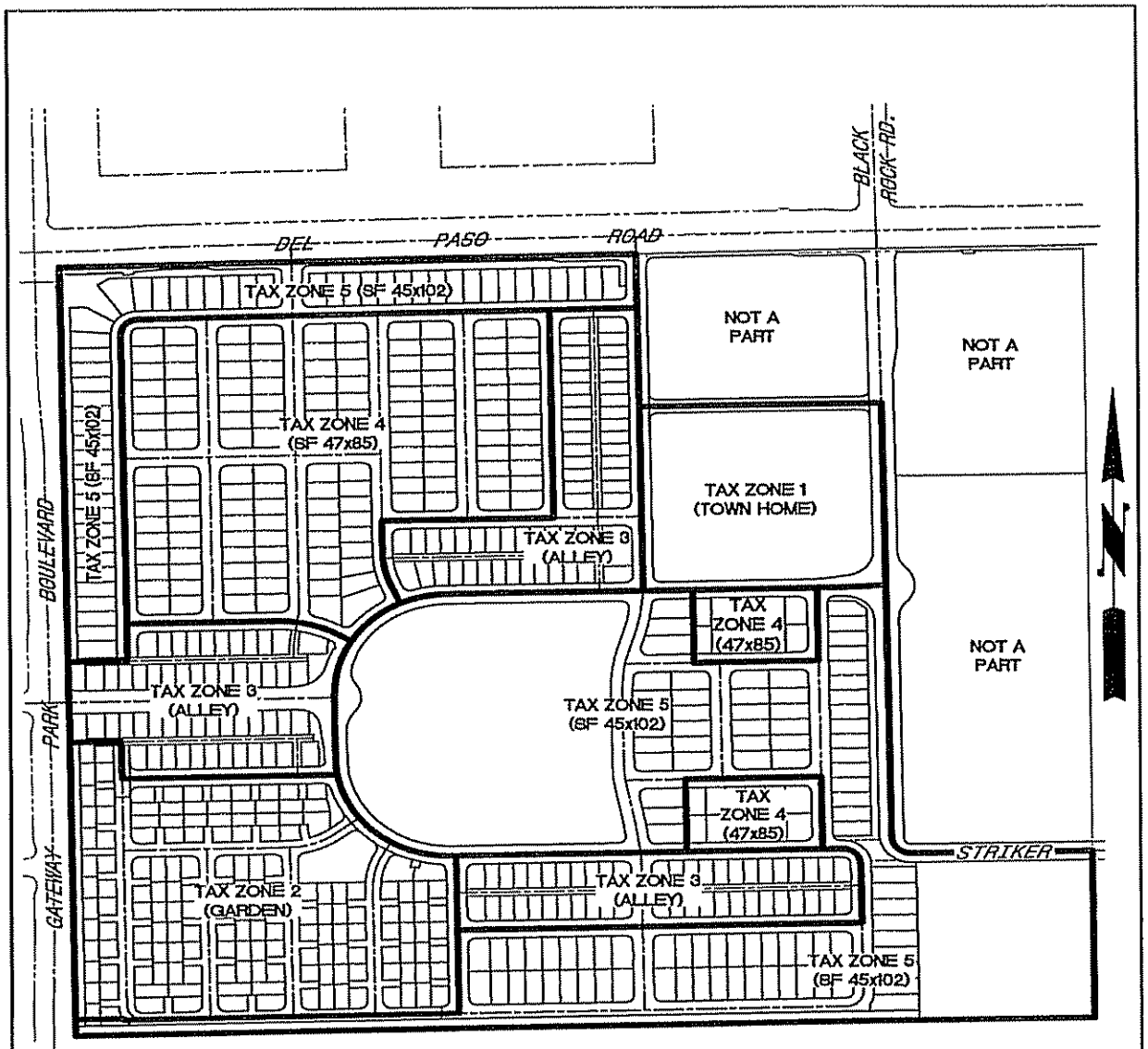
I. APPEALS

Any taxpayer who believes that the amount of the Special Tax assigned to a Parcel is in error may file a notice appealing the levy of the Special Tax with the City Treasurer's Office and the City Planning Department, Public Improvement Financing Division. City representatives shall then promptly review the appeal and, if necessary, meet with the taxpayer. If the City representatives determine that the Special Tax is in error, they shall recommend to the City Council that the Special Tax levy be corrected and, if applicable in any case, that a refund be granted. The City Council's decision on the recommendation will be final.

ATTACHMENT 1

CITY OF SACRAMENTO
NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01

IDENTIFICATION OF TAX ZONES



TAX ZONE	PRODUCT TYPE	UNIT COUNT
NO. 1	TOWN HOME	120
NO. 2	GARDEN	163
NO. 3	ALLEY	161
NO. 4	SF 47x85	168
NO. 5	SF 45x102	145

G.C. WALLACE OF CA, INC.
ENGINEERS | PLANNERS | SURVEYORS
2250 RIVER PLAZA DRIVE · STE 100 · SACRAMENTO, CA 95833
T: 916.285.7600 · F: 916.285.7601 · GCWALLACE.COM
A DIVISION OF G.C. WALLACE COMPANIES
LAS VEGAS · SACRAMENTO · RENO

ATTACHMENT 1
PROPOSED TAX ZONES
NATOMAS MEADOWS
COMMUNITY FACILITIES DIST. 2007-01
PARDEE HOMES

0 N/A N/A
(SCALE IN FEET)

DATE: 03/23/07

SHEET: 1 of 1

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ATTACHMENT 2

CITY OF SACRAMENTO
NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01

SAMPLE PREPAYMENT CALCULATION
FOR ONE BUILDABLE LOT IN TAX ZONE 3

Assumptions (2007 $)	
Assigned Special Tax on a 2,300 Sq. Ft. Residential Unit in Tax Zone 3	$1,955
Backup Special Tax on a 2,300 Sq. Ft. Residential Unit in Tax Zone 3	$1,713
Total Expected Special Tax Revenues in CFD	$1,362,696
Total Facilities Costs	$20,000,000
Construction Proceeds from First Bond Issue	$20,000,000
Total Remaining Facilities Costs	$0
Redemption Premium %	3.00%
Reserve Fund Requirement %	10.00%
Outstanding Bonds	$27,500,000

Sample Prepayment Calculation (2,300 Sq. Ft. Residential Unit in Tax Zone 3)

Steps from Section G of the RMA		*Source or Calculation Method*	
Step 1:	Assigned Special Tax per Unit | Backup Special Tax per Unit	[From above]	$1,955 | $1,713
Step 2:	Special Tax as a % of Total Expected Special Tax Revenues	[Step 1 divided by Total Expected Special Tax Revenues]	0.14% | 0.13%
Step 3:	*"Bond Redemption Amount"*	[Larger quotient from Step 2 multiplied by Outstanding Bonds]	$39,453
Step 4:	Total Remaining Facilities Costs	[From above]	$0
Step 5:	*"Remaining Facilities Amount"*	[Larger quotient from Step 2 multiplied by Step 4]	$0
Step 6:	*"Redemption Premium"*	[Step 3 multiplied by Redemption Premium %]	$1,184
Step 7:	Interest Accrued on Bond Redemption Amount	[Covered by special tax levied in the year of prepayment]	$0 [1]
Step 8:	Interest Earned on Bond Redemption Amount and Redemption Premium	[None due to bonds being retired at next interest payment date]	$0
Step 9:	*"Defeasance Requirement"*	[Step 7 minus Step 8]	$0
Step 10:	*"Administrative Fees and Expenses"*	[Assumes $500 per Residential Unit]	$500
Step 11:	*"Reserve Fund Credit"*	[Step 3 multiplied by Reserve Fund Requirement %]	($3,945)
Step 12:	*"Prepayment Amount"*	[Sum of Steps 3, 5, 6, 9, and 10 minus Step 11	$37,191
Prepayment for One 2,300 Sq. Ft. Residential Unit in Tax Zone 3			$37,191

[1] Assumes bonds can be redeemed at the first interest payment date after the prepayment has been received.

ATTACHMENT 5

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES, AND THE PAYMENT OF CERTAIN GOVERNMENTAL DEVELOPMENT FEES IN ORDER TO MITIGATE THE IMPACTS OF DEVELOPMENT WITHIN NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

BACKGROUND

A. The City Council (the "Council") of the City of Sacramento (the "City") duly adopted its Resolution No. 2007-510 (the "Resolution of Intention") on July 17, 2007 wherein the Council declared its intention to and proposed to establish a community facilities district within its jurisdictional boundaries 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 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), to finance the acquisition and construction of certain public capital facilities and of certain governmental development fees for public capital facilities.

B. The Council also adopted Resolution No. 2007-511 (the "Resolution to Incur Bonded Indebtedness") on July 17, 2007, declaring its intention to incur a bonded indebtedness in the principal amount of not to exceed twenty-seven million, five-hundred thousand dollars ($27,500,000) to finance the acquisition and construction of the facilities and the governmental development fees described in the Resolution of Intention.

C. The Resolution to Incur Bonded Indebtedness fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the Council to consider incurring the proposed debt and to consider any other matters set forth in the Resolution to Incur Bonded Indebtedness.

D. Pursuant to the Resolution to Incur Bonded Indebtedness, the Public Hearing was set by the Council for Tuesday, the 21st day of August, 2007, at the hour of two o'clock P.M., or as soon thereafter as the Council was able to reach the matter, in the Council Chambers at the Sacramento City Hall at 915 "I" Street, Sacramento, California, and at the time set for the Public Hearing, the Council continued the Public Hearing to Tuesday, September 4, 2007 to be held at the

same time and place. A Notice of Continuance of Public Hearing was posted by the City Clerk at or near the Council chamber door no later than 24 hours after the continuance of the Public Hearing and a Certificate of Posting Notice of Continuance of Public Hearing is on file with the City Clerk.

E. At the time and place set for the continued Public Hearing on September 4, 2007, the Council considered the amount and the term of the bonds proposed to be authorized by the Community Facilities District, and all other matters set forth in the Resolution to Incur Bonded Indebtedness; and at the continued Public Hearing all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and to be heard on, and they were permitted to present any matters relating to, the necessity for incurring the bonded indebtedness to finance the costs of the acquisition and construction of the facilities and the financing of the governmental fees described in the Resolution of Intention; and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the authorization to issue bonds of the Community Facilities District or any other matters set forth in the Resolution to Incur Bonded Indebtedness, was heard and considered.

F. All registered voters residing within the boundaries of the proposed Community Facilities District, if any, and all owners of land within the boundaries of the proposed Community Facilities District that would not be exempt from the proposed levy of special tax, were allowed to submit written protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, and were permitted to withdraw their protests prior to the close of the public Hearing.

G. The Council has adopted on this date its Resolution No. 2007-___ establishing the Community Facilities District (the "Resolution of Formation") which sets forth the special tax to be authorized within the Community Facilities District and the facilities and governmental fees that may be financed with the proceeds of the special tax collections.

H. There are on file with the Clerk a proof of publication of the Notice of Public Hearing in the *DAILY RECORDER,* a Certificate of Mailing of Notice of Public Hearing showing mailed notice to the owners of land within the Community Facilities District, a Certificate of Posting Notice of Continuance of Public Hearing and a Certificate of Mailing Letter Notifying Continuance of Public Hearing to the property owners within the Community Facilities District.

I. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

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

Section 2. The Council accepts the proof of publication of the Notice of Public Hearing, the Certificate of Mailing the Notice of Public Hearing, the Certificate of Posting Notice of Continuance of Public Hearing and the Certificate of Mailing Letter Notifying Continuance of Public Hearing, and finds, based thereon, that proper notice of the Public Hearing has been given in accordance with the California Government Code, and that the Public Hearing was conducted with proper and legal notice in all respects.

Section 3. The Council finds and determines that at the close of the Public Hearing, written protests, if any, against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, were submitted by less than 50 percent of the registered voters, or by less than six of the registered voters, if any, residing within the Community Facilities District. Similarly, the Council finds that at the close of the Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax. Thus, the Council finds that it is not precluded, by the Act, from proceeding further in this matter. The Council hereby further orders and determines that all protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness that may have been submitted, have been considered and are hereby overruled.

Section 4. 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, and the financing of the governmental fees, described in the Resolution of Formation. The authorization to finance the acquisition and construction of the facilities and fees 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 debt (as that term is defined in the Act, "Debt"), the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the facilities. Such costs and expenses are further described in Exhibit C to the Resolution of Formation.

Section 5. The whole of the territory within the Community Facilities District will be benefited by the Debt and will be subject to the special tax to pay for the Debt.

Section 6. The amount of the proposed Debt to be incurred to finance the acquisition and construction of the facilities and to finance the governmental development fees shall not exceed twenty-seven million five-hundred thousand dollars ($27,500,000), which amount may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the Debt is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the Debt is issued

pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any Debt of the Community Facilities District estimated to be due and payable within two (2) years of issuance, election costs, and all costs of issuance of the Debt, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 7. The maximum term of any Debt shall not exceed forty (40) years from the date of its issuance.

Section 8. The maximum annual rate or rates of interest to be paid on any Debt shall not exceed twelve percent (12%) per annum, payable at least annually the first year and semiannually thereafter.

Section 9. Pursuant to Government Code Section 53353.5, the authority to levy the special tax to finance the facilities and fees, the question of setting the appropriations limit for the Community Facilities District, and the question whether the Community Facilities District will be authorized to incur the Debt described above shall be combined into a single ballot question, and submitted to the qualified electors of the Community Facilities District at a special mailed-ballot election with ballots to be delivered to the City Clerk no later than 5:00 p.m. on Friday, September 28, 2007. If prior to that time the Clerk shall have received all of the eligible ballots to be cast, pursuant to Section 53351(j) the Clerk will at that time declare the election closed.

Section 10. The election shall be conducted in accordance with the Council's Resolution No. 2007-___ Calling Special Mailed-Ballot Election, to be adopted this date, to which reference is made for further particulars.

Section 11. If the ballot proposition receives the approval of two-thirds (2/3) or more of the votes cast on the proposition, the Debt may be issued and sold for the purpose for which it was authorized, and the Debt (except where special funds are otherwise available) shall be paid exclusively from the annual levy of the special tax and in any and all cases is not and shall not be secured by any other taxing power or funds of the City.

Section 12. It is the intention of the Council that any Debt issued shall be callable (may be redeemed prior to its maturity date) in accordance with the terms of the Act.

Section 13. This resolution shall take effect immediately upon its passage.

ATTACHMENT 6

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION CALLING SPECIAL MAILED-BALLOT ELECTION WITHIN NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

BACKGROUND

A. The City Council (the "Council") of the City of Sacramento (the "City"), on July 17, 2007, adopted its Resolution No. 2007-510 (the "Resolution of Intention") and its Resolution No. 2007-511 (the "Resolution to Incur Bonded Indebtedness") thereby initiating proceedings 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 (commencing with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District").

B. Both the Resolution of Intention and the Resolution to Incur Bonded Indebtedness set public protest hearings to be held concurrently on August 21, 2007 (the "Public Hearing").

C. On August 21, 2007, at the time and place set for the Public Hearing, the Council continued the Public Hearing to Tuesday, September 4, 2007 to be held at the same time and place. A Notice of Continuance of Public Hearing was posted by the City Clerk at or near the Council chamber door no later than 24 hours after the continuance of the Public Hearing and a Certificate of Posting Notice of Continuance of Public Hearing is on file with the City Clerk.

D. At the close of the Public Hearing on September 4, 2007, the Council determined that there was no majority protest under Section 53324 of the Government Code.

E. At the conclusion of the Public Hearing, the Council adopted its Resolution No. 2007-___ establishing the Community Facilities District (the "Resolution of Formation") pursuant to Section 53325.1 of the Government Code, and its Resolution No. 2007-___ Deeming It Necessary To Incur Bonded Indebtedness

(the "Resolution Deeming it Necessary to Incur Bonded Indebtedness") pursuant to Section 53351 of the Government Code.

F. In order to proceed with the levy of the special tax and establishment of an appropriations limitation for the Community Facilities District, as provided by the Resolution of Formation, and with the incurring of indebtedness as provided by the Resolution Deeming it Necessary to Incur Bonded Indebtedness, the three matters must be submitted to an election of the qualified electors of the Community Facilities District.

G. The three ballot questions just described may be combined into a single ballot measure pursuant to Section 53353.5 of the Government Code, as provided in the form of special election ballot attached hereto as Exhibit A and by this reference incorporated herein.

H. A Certificate Re: Registered Voters and Landowners (the "Certificate re: Landowners") has been filed with the City Clerk (the "Clerk") and submitted to the Council, certifying that at some time during the ninety days preceding the close of the Public Hearing on September 4, 2007, were there fewer than twelve persons registered to vote within the territory of the Community Facilities District.

I. A Certificate of Clerk re: Receipt of Property Owner Waiver and Consent Forms, has been submitted by the Clerk, stating that each Landowner, or an authorized representative of each Landowner, has filed with the Clerk a properly executed Waiver, Consent and Appointment (as defined below) in the form attached hereto as Exhibit B, and by this reference incorporated herein.

J. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

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

Section 2. The Council accepts the Certificate re: Landowners filed in these proceedings and finds, in accordance therewith, that there has been a time, during the ninety days just past, when there were fewer than twelve registered voters residing within the boundaries of the Community Facilities District. Accordingly, under Section 53326(b) of the Government Code, the qualified electors of the Community Facilities District for the proposed special election shall be the owners of land within the Community Facilities District.

Section 3. The Council further finds and determines that the owners of land within the Community Facilities District (the "Landowners") are the landowners set forth in the attachment to the Certificate re: Landowners and that the attachment correctly sets forth the amount of property owned by each Landowner and the number of votes to

which each Landowner is entitled pursuant to Section 53326(b), being the number of acres owned rounded up to the next whole acre.

Section 4. The Council hereby approves the form of "Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed-Ballot Election and Appointment of Representative to Act for Property Owner in Voting and Casting Ballot" (the "Waiver, Consent and Appointment") by which the time limits and related requirements respecting preparation and distribution of election materials are waived, a copy of which is attached hereto as Exhibit B. The Council hereby finds that the rights, procedures and time periods therein waived are solely for the protection of the qualified electors and may be waived by the qualified electors under Section 53326(a) and 53327(b) of the Act and under other provisions of law dealing with waiver generally, and that the Waiver, Consent and Appointment constitutes a full and knowing waiver, by any qualified elector who has executed the form, of those rights, procedures and time periods.

Section 5. The Council further finds and determines, based on a Certificate of Clerk re: Receipt of Property Owner Waiver and Consent Forms, provided this date by the Clerk, that each Landowner, or an authorized representative of each Landowner, has filed with the Clerk a properly executed Waiver, Consent and Appointment. The Council therefore is establishing the procedures and time periods for this special mailed-ballot election without regard to statutory schedules.

Section 6. Pursuant to Sections 53326 and 53351 of the Government Code, the Council hereby calls an election, to be held and conducted upon adoption of this Resolution, and sets September 28, 2007, as the election date. Pursuant to Section 53326 of the Government Code, the election shall be conducted by mailed ballot; provided that personal service of the respective ballots to authorized representatives of each Landowner is permitted under the terms of the Waiver, Consent and Appointment forms on file with the Clerk and shall therefore be permitted. The Clerk is directed to either mail or make personal service of the ballots, in the form of the attached Exhibit A, to each Landowner or, if one has been appointed pursuant to a Waiver, Consent and Appointment, to the Landowner's authorized representative.

Section 7. The proposition to be submitted to the qualified electors of the Community Facilities District shall be as set forth in the form of special election ballot attached hereto as Exhibit A.

Section 8. The Clerk is hereby designated as the official to conduct the special mailed-ballot election pursuant to the Act and California Elections Code Sections 307 and 320 and the following provisions:

(a) The special election shall be held and conducted, and the votes canvassed and the returns made, and the results determined, as provided herein; and in all particulars not prescribed by this Resolution the special election shall be held and conducted and the votes received and canvassed

in the manner provided by law for the holding of special elections consistent with the Act.

(b) All Landowners within the Community Facilities District as of the close of the Public Hearing shall be qualified to vote upon the proposition to be submitted at the special election.

(c) The special election shall be conducted as a mailed-ballot election, in accordance with the provisions of THE Act and the prior proceedings of the City taken thereunder, and there shall be no polling places for the special election. All ballots shall be delivered or mailed by the Clerk to the Landowners, and all voted ballots are required to be received by the Clerk not later than 5:00 o'clock P.M. on the day of the election in order to be counted. However, if at any time the Clerk determines that all votes have been cast, the Clerk shall immediately declare the election closed.

(d) Each voter desiring to vote in favor of the proposition to be submitted at the special election shall mark a cross (x) or similar mark in the blank space next to the word "YES" on the ballot to the right of the proposition; and each voter desiring to vote against the proposition shall mark a cross (x) or similar mark in the blank space next to the word "NO" on the ballot to the right of the proposition. The cross (x) or similar mark may be marked with either pen or pencil.

(e) The Clerk shall commence the canvass of the returns of the special election, and report the returns to the Council no later than the Council meeting of October 9, 2007.

(f) The Council may thereupon declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

Section 9. This resolution shall take effect immediately upon its passage.

EXHIBIT A

NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of the authorized representative of the following owner of land within the Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California ("the Community Facilities District"):

Name of Landowner	Number of Acres Owned	Total Votes
Pardee Homes, Inc.	[ ]	[ ]

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the "Council") of the City of Sacramento (the "City"), the above-named Landowner is entitled to cast the number of votes shown above under the heading "Total Votes," representing the total votes for the property owned by the Landowner.

In order to be counted, this ballot must be executed and certified below and be returned to the City Clerk, by mail or in person, to be received by the City Clerk prior to 5:00 p.m. on September 28, 2007 at the Office of the City Clerk, 915 "I" Street, Historic City Hall, First Floor, Sacramento, California 95814.

Mailing by that time will not be sufficient. This ballot must be received by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT. All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

BALLOT MEASURE

	MARK "YES" OR "NO" WITH AN "X":
Shall the City Council (the "Council") of the City of Sacramento, by and through its Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California (the "District"), be authorized to annually levy a special tax within the District to finance the acquisition and construction of certain public facilities and to finance certain governmental development fees (collectively, the "Facilities"), and be authorized to incur debt in the principal amount of not to exceed twenty-seven million five-hundred thousand dollars ($27,500,000) to pay for the Facilities, including the payment, using the proceeds of the special tax collections, of principal of and interest on the debt and including the repayment of funds advanced for the authorized purposes of the Community Facilities District all as described in the Council's Resolution of Formation (No. 2007-___) and in the Council's Resolution Deeming it Necessary to Incur Bonded Indebtedness (No. 2007-___), both adopted September 4, 2007; and shall the 2007-2008 appropriations limit for the District be established in the amount of two million dollars ($2,000,000)?	YES: ☐ NO: ☐

Certification for Special Election Ballot

The undersigned is the above-named Landowner or the authorized representative of the above-named Landowner and is a 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 _____, 2007.

_____
Signature

_____
Print Name

EXHIBIT B

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION
AND APPOINTMENT OF REPRESENTATIVE TO ACT FOR PROPERTY OWNER
IN VOTING AND CASTING BALLOT

NATOMAS MEADOWS COMMUNITY FACILITIES DISTRICT NO. 2007-01
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

I [We], _____

_____,

(print name[s])

(referred to in this document collectively as the "Undersigned") declare [check one]:

_____ **The Undersigned are ALL of the owners...**

OR

_____ **The Undersigned is the authorized representative of, and in executing this document is acting for, ALL of the owners (and has attached hereto evidence of the Undersigned's authority to act for ALL of the owners in this regard), which owners are listed here:**

_____

_____

_____**(the "Owners)**

of the real property listed below by Assessor's Parcel Number ("APN"), which is within the Natomas Meadows Community Facilities District No. 2007-01, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District "). The APN's are:

_____

_____

_____

The Undersigned understands that a special mailed-ballot, landowner election will be held to determine whether the authority to levy an annual special tax on property within the Community Facilities District, including the above-numbered parcels, to finance certain public facilities and certain governmental development fees, and to incur indebtedness to be secured and repaid by the special tax, and to establish an appropriations limit for the Community Facilities District all as set forth in two resolutions to be considered by the City Council of the City of Sacramento on September 4, 2007 (the Resolution of Formation and the Resolution Deeming it Necessary to Incur Bonded Indebtedness), will be conferred upon that Council. The Undersigned, on behalf of the above-referenced Owners, requests that the election be conducted at the earliest possible date. The

Undersigned is the person legally entitled and authorized to cast the ballot attributable to the above-referenced parcels in the landowner, mailed-ballot election.

The Undersigned, on behalf of the above-referenced Owners, hereby waives any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a).

The Undersigned, on behalf of the above-referenced Owners, hereby waives the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b).

The Undersigned, on behalf of the above-referenced Owners, hereby waives the requirement to publish notice of the election under Government Code Section 53352.

The Undersigned, on behalf of the above-referenced Owners, hereby waives the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101, and agrees that either mailed service or personal service of the ballot will be sufficient.

The Undersigned, on behalf of the above-referenced Owners, hereby waives the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5.

The Undersigned, on behalf of the above-referenced Owners, hereby waives any and all defects in notice or procedure in the conduct of the election, whether known or unknown (except the right to vote and to have the ballots fairly counted), and states that the election is being expedited, pursuant to this Waiver, Consent, and Appointment, at the particular instance and request of the Undersigned.

The Undersigned, on behalf of the above-referenced Owners, hereby consents to the levy and collection of the special tax on the above-referenced parcels and hereby waives any and all rights to challenge the inclusion of the above-referenced parcels in the Community Facilities District and any and all other proceedings related thereto.

Finally, the Undersigned, on behalf of the above-referenced Owners, hereby authorizes _____ [if the Undersigned will cast the ballot, enter "N/A"] to act in all respects for the above-listed property and for the above-referenced owners in casting the votes and executing the ballot assigned to the above-listed property.

The Undersigned declare[s] under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this Appointment and Waiver and Consent is signed by each of the Undersigned on the date following each signature.

Signature:_____ Date:_____

Print Name:_____

Signature:_____ Date:_____

Print Name:_____

Signature:_____ Date:_____

Print Name:_____

Signature:_____ Date:_____

Print Name:_____

Subscribed and sworn to before me this
_____ day of _____, 2007.

_____ [SEAL]

Notary Public, State of California