

EXHIBIT C

COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2004-2 (LANDSCAPE MAINTENANCE)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2004-2 (Landscape Maintenance) [herein "CFD No. 2004-2"] shall be levied and collected according to the tax liability determined by the Board of Supervisors (herein the "Board") of the County of Sacramento, acting in its capacity as the legislative body of CFD No. 2004-2, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2004-2, 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, including property subsequently annexed to CFD No. 2004-2 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or **"Acre"** means the land area making up 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 subdivision 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 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the expenses of the County in carrying out its duties for CFD No. 2004-2, 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 Finance Director, and all other costs and expenses of the County in any way related to the establishment or administration of CFD No. 2004-2.

"Administrator" means the Administrator of the County Public Works Agency or his/her designee.

"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 County Assessor of the County of Sacramento designating parcels by Assessor's Parcel number.

“Building Permit(s)” means a single permit or set of permits required to construct an entire structure, which structure may include standalone surface parking, common areas, landscaping, or other areas.

“County” means the County of Sacramento.

“Developed Property” means, in any Fiscal Year:

- All Parcels of Single Family Detached Residential Property and Duplex Property for which a Final Map was recorded prior to April 1 of the preceding Fiscal Year
- All Parcels of Multi-Family Property for which a building permit was issued for construction of a residential structure prior to April 1 of the preceding Fiscal Year
- All Parcels of Other Residential Property for which a building permit was issued for construction of a residential structure prior to April 1 of the preceding Fiscal Year
- All Parcels of Non-Residential Property for which a building permit was issued for construction of a non-residential structure prior to April 1 of the preceding Fiscal Year

“Duplex Property” means any Parcel of Developed Property for which a Building Permit has been or, in the County’s determination, will be issued for construction of two single family residential units that share a common wall.

“Final Map” means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates individual lots for which Building Permits may be issued. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create individual lots for which Building Permits may be issued, including Assessor’s Parcels that are designated as remainder parcels.

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

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

“Multi-Family Property” means any Parcel of Developed Property for which a Building Permit has been issued for construction of a residential structure with Residential Units that are offered for rent to the general public.

“Non-Residential Property” means any Parcel of Taxable Property within CFD No. 2004-2 that is not Single Family Detached Residential Property, Duplex Property, Multi-

Family Property, Other Residential Property or Undeveloped Property. If any individual Assessor's Parcel within the CFD includes a mix of both residential and non-residential land uses, such Parcel shall be categorized as Non-Residential Property for purposes of apportioning the Maximum Special Tax pursuant to Section C below.

"Other Residential Property" means any Parcel of Developed Property for which a building permit has been issued for development of a residential use which does not qualify the Parcel as Single Family Detached Residential Property, Duplex Property or Multi-Family Property, as defined herein.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Undeveloped Property.

"Public Agency" means the federal government, State of California or other local governments or public agencies.

"Residential Unit" means a residential dwelling unit, including individual single-family detached, duplex, triplex, fourplex, townhome or condominium units.

"Single Family Detached Residential Property" means any Parcel of Developed Property for which a Building Permit has been or, in the County's determination, will be issued for construction of a single family detached residential unit.

"Special Tax Requirement" means the amount of revenue needed in any Fiscal Year to pay for the following: (i) services, maintenance expenses, sinking fund payments and capital reserves authorized to be funded by CFD No. 2004-2, (ii) Administrative Expenses, (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected.

"Special Tax" means any tax levied pursuant to the Act on property within CFD No. 2004-2.

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2004-2 which are not exempt from the Special Tax pursuant to law or Section F below.

"Taxable Public Property" means, in any Fiscal Year, all Assessor's Parcel in CFD No. 2004-2 that had, in prior Fiscal Years, been Taxable Property and subsequently came under the ownership of a Public Agency.

"Undeveloped Property" means all Assessor's Parcels within the boundaries of CFD No. 2004-2 that are not Developed Property, as determined by the Administrator.

"Zone" means one of the five mutually exclusive tax zones, as defined below, or any additional Zone that is defined as part of a future annexation into CFD No. 2004-2.

“**Zone 1**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

<u>APNs</u>	<u>Fiscal Year APN was Valid</u>
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[Currently, there are no Assessor’s Parcels in Zone 1]

The property identified by the APNs listed above shall remain part of Zone 1 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

“**Zone 2**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

<u>APNs</u>	<u>Fiscal Year APN was Valid</u>
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068-0011-107	2003-04
068-0011-108	2003-04
068-0011-112	2003-04

The property identified by the APNs listed above shall remain part of Zone 2 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

“**Zone 3**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

<u>APNs</u>	<u>Fiscal Year APN was Valid</u>
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[Currently, there are no Assessor’s Parcels in Zone 3]

The property identified by the APNs listed above shall remain part of Zone 3 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

“**Zone 4**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

<u>APNs</u>	<u>Fiscal Year APN was Valid</u>
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[Currently, there are no Assessor’s Parcels in Zone 4]

The property identified by the APNs listed above shall remain part of Zone 4 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

“**Zone 5**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

[Currently, there are no Assessor’s Parcels in Zone 5]

The property identified by the APNs listed above shall remain part of Zone 5 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

“**Zone 6**” means that geographic area that was identified by the following Assessor’s Parcel numbers in the following Fiscal Years:

<u>APNs</u>	<u>Fiscal Year APN was Valid</u>
213-0040-008	2003-04
213-0040-017	2003-04
213-0040-018	2003-04
213-0092-003	2003-04
213-0092-004	2003-04
213-0092-005	2003-04
213-0092-006	2003-04

The property identified by the APNs listed above shall remain part of Zone 6 regardless of changes in the configuration of these Assessor’s Parcels or changes to the Assessor’s Parcel numbers in future Fiscal Years.

B. DATA COLLECTION FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel number for all Parcels of Taxable Property within CFD No. 2004-2 and shall determine within which Zone each Assessor’s Parcel is located. Based on review of recorded Final Maps and building permit records for property within the CFD, each Parcel shall be categorized as either Developed Property or Undeveloped Property for purposes of levying the Special Tax pursuant to Section E below. All Parcels of Developed Property shall be further categorized as Single Family Detached Residential Property, Duplex Property, Multi-Family Property, Other Residential Property or Non-Residential Property, as applicable. In addition, reference shall be made to the site plan, subdivision map, condominium plan or other document approved by the County to determine the number of Residential Units within any Other Residential Property subdivision that had been Undeveloped Property in prior Fiscal Years.

C. MAXIMUM SPECIAL TAX

All Taxable Property within the CFD shall be subject to a Special Tax that will be levied each Fiscal Year to pay the Special Tax Requirement. Table 1 below identifies the Maximum Special Tax rates that shall apply to all Parcels of Taxable Property within CFD No. 2004-2:

TABLE 1
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2004-05) *

Zone	Land Use Category	Maximum Special Tax (Fiscal Year 2004-05) *
1	Single Family Detached Residential Property	\$50 per Residential Unit
1	Duplex Property	\$50 per Residential Unit
1	Multi-Family Property	\$750 per Acre
1	Other Residential Property	\$750 per Acre
1	Non-Residential Property	\$750 per Acre
1	Undeveloped Property	\$400 per Acre
2	Single Family Detached Residential Property	\$150 per Residential Unit
2	Duplex Property	\$150 per Residential Unit
2	Multi-Family Property	\$2,250 per Acre
2	Other Residential Property	\$2,250 per Acre
2	Non-Residential Property	\$2,250 per Acre
2	Undeveloped Property	\$1,200 per Acre
3	Single Family Detached Residential Property	\$250 per Residential Unit
3	Duplex Property	\$250 per Residential Unit
3	Multi-Family Property	\$3,000 per Acre
3	Other Residential Property	\$3,000 per Acre
3	Non-Residential Property	\$3,000 per Acre
3	Undeveloped Property	\$2,000 per Acre
4	Single Family Detached Residential Property	\$350 per Residential Unit
4	Duplex Property	\$350 per Residential Unit
4	Multi-Family Property	\$4,200 per Acre
4	Other Residential Property	\$4,200 per Acre
4	Non-Residential Property	\$4,200 per Acre
4	Undeveloped Property	\$2,800 per Acre
5	Single Family Detached Residential Property	\$500 per Residential Unit
5	Duplex Property	\$500 per Residential Unit
5	Multi-Family Property	\$5,000 per Acre
5	Other Residential Property	\$5,000 per Acre
5	Non-Residential Property	\$5,000 per Acre
5	Undeveloped Property	\$4,000 per Acre
6	Single Family Detached Residential Property	\$650 per Residential Unit
6	Duplex Property	\$650 per Residential Unit
6	Multi-Family Property	\$6,500 per Acre
6	Other Residential Property	\$6,500 per Acre
6	Non-Residential Property	\$6,500 per Acre
6	Undeveloped Property	\$5,200 per Acre
All Zones	Taxable Public Property	The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that would have applied to such Parcel if the Parcel had not become the property of a Public Agency.

** Beginning January 2005 and each January thereafter, the Maximum Special Taxes shown in Table 1 above shall be adjusted by applying the increase, if any, in the Consumer Price Index of the San Francisco-Oakland-San Jose area for all urban consumers that has occurred since January of the prior year. Each annual adjustment of the Maximum Special Tax shall be come effective on the subsequent July 1.*

If additional Zones are added to CFD No. 2004-2 as a result of property annexing into the CFD, a Maximum Special Tax shall be identified for each new Zone as part of the annexation process.

D. APPORTIONMENT OF MAXIMUM SPECIAL TAX FOR OTHER RESIDENTIAL PROPERTY

The Maximum Special Tax set forth in Section C above for Other Residential Property shall be allocated to individual Residential Units within a particular project to determine a specific Maximum Special Tax for each Residential Unit. At such time as the site plan, subdivision map, condominium plan, parcel map or other document identifying the number of Residential Units within a subdivision of Other Residential Property is approved by the County, the Maximum Special Tax for each Residential Unit within the subdivision shall be determined as follows:

- Step 1.** Determine the net taxable Acreage for the subdivision, which shall exclude street rights-of-way and other property that has been or will be dedicated to a Public Agency, but shall include all parking and common space associated with the subdivision. If there are multiple Assessor's Parcels making up the subdivision, add together the Acreage of all such Parcels to determine the net taxable Acreage for purposes of this Step 1.
- Step 2.** Multiply the net taxable Acreage determined in Step 1 by the Maximum Special Tax for Other Residential Property shown in Section C above for the Zone in which the subdivision is located to determine the total Maximum Special Tax assigned to the subdivision.
- Step 3.** Divide the total Maximum Special Tax from Step 2 by the number of Residential Units within the subdivision to determine the Maximum Special Tax for each Residential Unit.

E. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied as follows until the amount of the levy equals the Special Tax Requirement for that Fiscal Year:

- First:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax

determined for each category of Developed Property pursuant to Sections C and D above.

Second: If additional revenue is needed after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property determined pursuant to Section C above.

Third: If additional revenue is needed after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property up to 100% of the Maximum Special Tax determined pursuant to Section C above.

The Special Tax for CFD No. 2004-2 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the County may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2004-2 financial obligations and the Special Tax shall be equally subject to foreclosure if delinquent.

F. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on land that is a public parcel or land that has been conveyed to a Public Agency except Taxable Public Property and except as otherwise provided in Sections 53317.3 and 53317.5 of the Act. In addition, any parcel designated as a landscape corridor, lake, wetland, school, park, detention/water quality basin, levee, site for power lines, utility easement, or other such use, as determined by the Administrator, shall be exempt from the Special Tax levy.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The County reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. Neither addition of Assessor's Parcels to an individual Zone nor addition of Zones to CFD No. 2004-2 shall be considered an amendment to this Rate and Method of Apportionment of Special Tax as long as such additions do not materially affect the rate and method of apportioning Special Taxes to other Parcels within the CFD at the time such additions are made. The interpretation and application of any section of this document shall be left to the County's discretion. Interpretations may be made by the County by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.