

COUNTY OF SACRAMENTO
METRO AIR PARK COMMUNITY FACILITIES DISTRICT NO. 1998-1
(PLANNING AND DESIGN COSTS)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A special tax applicable to each Assessor's Parcel in Community Facilities District No. 1998-1 (herein "CFD No. 1998-1") shall be levied and collected according to the tax liability determined by the Board of Supervisors (herein the "Board") of the County of Sacramento, as described below. All of the property in CFD No. 1998-1, unless exempted by law or by the provisions of Section E 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" means each acre comprising 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, parcel map, or other recorded County parcel map.

"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 fees and expenses of any fiscal agent or trustee (including any fees and expenses of its counsel) employed in connection with any Bonds of CFD No. 1998-1, and the expenses of the County in carrying out its duties for such 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 Finance Director, amounts needed to rebate the federal government with respect to any of such Bonds, costs associated with complying with continuing disclosure requirements, and all other costs and expenses of the County in any way related to the establishment or administration of CFD No. 1998-1.

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

“Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the County for CFD No. 1998-1 under the Act.

“County” means the County of Sacramento.

“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 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 July 1 and ending on the following June 30.

“Maximum Special Tax” means the maximum amount of Special Tax, determined in accordance with Section B below, that can be levied in any Fiscal Year.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Taxable Property.

“Public Property” means any property within the boundaries of CFD No. 1998-1 that is owned by the federal government, State of California or a local government or public agency and used for a public purpose.

“Special Tax” means a tax levied in any Fiscal Year that will be used to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount of Special Tax levied each Fiscal Year that will be used to (i) pay principal and interest on Bonds, (ii) create or replenish reserve funds, (iii) cure any delinquencies in the payment of Special Taxes which have occurred in a 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, and (iv) pay Administrative Expenses.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 1998-1 which are not exempt from the Special Tax pursuant to law or Section E below.

B. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property in CFD No. 1998-1 is \$510 per Acre for each Fiscal Year.

C. APPORTIONMENT AND LEVY OF SPECIAL TAX

Commencing with Fiscal Year 2000-01 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement. The Special Tax shall then be levied Proportionately on each Assessor's Parcel of Taxable Property in CFD No. 1998-1 up to 100% of the Maximum Special Tax applicable to that Parcel such that the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

D. MANNER OF COLLECTION

The Special Taxes for CFD No. 1998-1 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 F below and provided further that the County may directly bill the Special Tax, 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.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

"**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 the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding, 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 the prepayment formula.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 1998-1 prior to the date of prepayment.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 1998-1 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 and only after the fifth anniversary of the issuance of Bonds. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the County with written notice of intent to prepay. Within 30 days of receipt of such written notice, the County shall notify such owner of the prepayment amount of 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.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
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 total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the County.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the total Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the entire CFD.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** 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 5.** Compute the amount needed to pay interest on the Bond Redemption Amount from the last interest payment date on the Outstanding Bonds until the earliest redemption date for the Outstanding Bonds.
- Step 6.** Compute the minimum amount the County reasonably expects to derive from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the redemption date for the Outstanding Bonds that the County expects to redeem with the prepayment.
- Step 7.** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance"*).
- Step 8.** The administrative fees and expenses of CFD No. 1998-1 are as calculated by the County and include the costs of computation of the prepayment, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "Administrative Fees and Expenses"*).
- Step 9.** If and to the extent so provided in the documents pursuant to which the Outstanding Bonds to be redeemed were issued, 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 10.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (*the "Prepayment Amount"*).

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. In addition, 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 the Rate and Method of Apportionment.

C:\OFFICE\WPWIN\WPDOCS\METRO\SOFTRMA3.WPD

EXHIBIT B

**COUNTY OF SACRAMENTO
METRO AIR PARK
COMMUNITY FACILITIES DISTRICT NO. 1998-1
(PLANNING AND DESIGN COSTS)
DESCRIPTION OF PLANNING AND DESIGN COSTS**

- 1) Civil, geotechnical, structural and other engineering and management services related to construction and operation of the infrastructure to serve the Metro Air Park project, including but not limited to streets, interchanges, drainage improvements, wastewater improvements, water production, treatment and conveyance facilities, grading, and landscaping.
- 2) The cost of permits, permit processing and design review by any applicable public agency.
- 3) Contingency allowances for the above items.