

EXHIBIT B

COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT No. 2005-2 (NORTH VINEYARD STATION No. 1)

AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the Community Facilities District No. 2005-2 (North Vineyard Station No. 1) shall be levied and collected according to the tax liability determined by the Board of Supervisors of the County of Sacramento, acting in its capacity as the legislative body of CFD No. 2005-2, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2005-2, 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. 2005-2 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:

"Acre" means each acre of 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 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 California Government Code.

"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. 2005-2, 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 Department of Finance, amounts needed to rebate the federal government with respect to arbitrage earnings on 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. 2005-2.

"Administrator" means the Administrator of the County Municipal Services Agency or his/her designee or such other person or department as the Board may designate to serve as the Administrator of the Special Tax.

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

“Annexation Approval” means the date on which the Board declares the results of a successful election to authorize the levy of a Special Tax in the first area annexed into CFD No. 2005-2.

“Annexation Property” means those Assessor’s Parcels within Annexed Parcel One and Annexed Parcel Two that have not yet become Large Lot Subdivision Map Property, Final Map Property, or Developed Property.

“Annexed Parcel One” means the lot designated as “Parcel 1” on Attachment 1 of this Amended RMA.

“Annexed Parcel Two” means the lot designated as “Parcel 2” on Attachment 1 of this Amended RMA.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Board” means the Sacramento County Board of Supervisors.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2005-2 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 2005-2.

“Building Permits” means a single permit or set of permits required to construct an entire structure, which structure may include stand-alone surface parking, common areas, landscaping, or other areas. If a permit is issued for parking, landscaping or another related facility or amenity, but a building permit has not yet been issued for the structure that these facilities or amenities serve, such permits shall not be considered “Building Permits” for purposes of application of the Special Tax herein.

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

“CFD” or **“CFD No. 2005-2”** means the County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1).

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 2005-2 was adopted by the Board.

“County” means the County of Sacramento.

“Developed Property” means, in any Fiscal Year, all Parcels in CFD No. 2005-2 for which Building Permits have been issued on or prior to June 1 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Final Map Property, Large Lot Subdivision Map Property, Vineyard Creek Tentative Map Property, Vineyard Point Tentative Map Property, and Annexation Property.

“Excess Public Property” means the acres of Public Property that exceed the acreage exempted in Section F below. In any Fiscal Year in which a Special Tax must be levied on Excess Public Property pursuant to the steps set forth in Section D below, Excess Public Property shall be those Assessor’s Parcel(s) that most recently became Public Property based on the dates on which Final Maps recorded creating such Public Property.

“Exempt Parcel” means the lot designated as “Parcel 3” on Attachment 1 of this Amended RMA.

“Expected Land Uses” means the total number of Residential Units and Acres of Multi-Family Property expected to be developed within the CFD. The Expected Land Uses at Annexation Approval are identified in Attachment 1 and summarized in Attachment 2 hereto; the Administrator shall update Attachments 1 and 2 each time a change occurs to the land use plans for property in the CFD.

“Expected Maximum Special Tax Revenue” means the expected aggregate Maximum Special Tax revenue that can be collected from all property within the CFD. The Expected Maximum Special Tax Revenue is shown in Attachment 2 of this Amended RMA and may be reduced due to prepayments or land use changes.

“Final Bond Sale” means the last series of Bonds that will be issued on behalf of CFD No. 2005-2 (excluding any Bond refundings), as determined in the sole discretion of the Board.

“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 SFD Lots. 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 SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Final Map Property” means, in any Fiscal Year, all Single Family Detached Property for which a Final Map had recorded prior to June 1 of the preceding Fiscal Year and which has not yet become Developed Property.

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

“Land Use Categories” means Single Family Detached Property, Single Family Attached Property, Multi-Family Property and Other Property.

“Large Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 2005-2 into large Parcels, most of which will be subject to future subdivision.

“Large Lot Subdivision Map Property” means, in any Fiscal Year, all Single Family Detached Property included within a Large Lot Subdivision Map that was recorded by June 1 of the prior Fiscal Year, and which has not yet become Final Map Property.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels within the CFD for which a building permit was issued for construction of a residential structure with multiple Residential Units that share common walls, all of which are offered or are expected to be offered for rent to the general public and/or employees.

“Other Property” means, in any Fiscal Year, all Parcels of Developed Property which are not Single Family Detached Property, Single Family Attached Property, or Multi-Family Property.

“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.

“Public Property” means any property within the boundaries of CFD No. 2005-2 that is either (i) owned by the federal government, the State of California, the County, another public agency, or a private non-profit organization that owns and is responsible for conservation of open space areas or (ii) encumbered by an easement owned by any such public agency or private organization which easement makes the development of such property impractical. Notwithstanding the foregoing, a leasehold or other possessory interest in any such property which is subject to taxation pursuant to Section 53340.1 of the Act shall not constitute “Public Property.”

“Residential Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure. An accessory residential dwelling unit, as defined by the County Zoning Code, shall not be considered as a Residential Unit for taxation purposes.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was issued or is permitted to be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered or expected to be offered as for-sale units, including residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was issued or is permitted to be issued for construction of a Residential Unit that does not share a common wall with another Residential Unit.

“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 to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish reserve funds for the Bonds; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; (iv) pay Administrative Expenses; and (v) pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2005-2. The amounts referred to in clauses (i) and (ii) of the preceding sentence 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2005-2 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.

“Specific Plan” means the North Vineyard Station Specific Plan approved by the Board on November 4, 1998, as may be amended from time to time.

“Specific Plan Land Use Designation” means the land use designation assigned to a particular Parcel in the Specific Plan.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2005-2 which are not exempt from the Special Tax pursuant to law or Section F below.

“Vineyard Creek Bonds” means Bonds that are sized based on Maximum Special Tax revenues that can be generated from Taxable Property within the Vineyard Creek Tentative Map, Annexed Parcel One, and Annexed Parcel Two.

“Vineyard Point Bonds” means Bonds that are sized based on Maximum Special Tax revenues that can be generated from Taxable Property within the Vineyard Point Tentative Map.

“Vineyard Creek Tentative Map” means the vesting tentative map for the Vineyard Creek project approved by the Board on November 10, 2004.

“Vineyard Point Tentative Map” means the vesting tentative map for the Vineyard Point project approved by the Board on November 10, 2004.

“Vineyard Creek Tentative Map Property” means all Parcels of Taxable Property included within the Vineyard Creek Tentative Map that have not yet become Large Lot Subdivision Map Property, Final Map Property, or Developed Property.

“Vineyard Point Tentative Map Property” means all Parcels of Taxable Property included within the Vineyard Point Tentative Map that have not yet become Large Lot Subdivision Map Property, Final Map Property, or Developed Property.

B. DATA FOR ANNUAL ADMINISTRATION

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) whether each Assessor's Parcel of Taxable Property is Developed Property, Final Map Property, Large Lot Subdivision Map Property, Vineyard Creek Tentative Map Property, Vineyard Point Tentative Map Property, or Annexation Property, (ii) for Developed Property, which Parcels are Single Family Detached Property, Single Family Attached Property, Multi-Family Property and Other Property, (iii) for Parcels of Single Family Attached Property, the number of Residential Units on each Parcel, (iv) the Specific Plan Land Use Designation for each Parcel, and (v) the Special Tax Requirement.

For Single Family Attached Property, the number of Residential Units shall be determined by referencing the site plan, condominium plan, or other development plan. In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 2005-2 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 is in a different Development Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Development Class, 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

The following maximum rates shall apply to all Parcels of Developed Property within CFD No. 2005-2:

TABLE 1 DEVELOPED PROPERTY MAXIMUM SPECIAL TAX		
Land Use Category	Specific Plan Land Use Designation	Maximum Special Tax (Fiscal Year 2005-06) *
Single Family Detached Property	Single Family Residential 3-5 (SFR 3-5)	\$1,400 per Residential Unit
Single Family Detached Property	Single Family Residential 4-7 (SFR 4-7)	\$1,250 per Residential Unit
Single Family Detached Property or Single Family Attached Property	Medium Density Residential 7-12 (SFR 7-12)	\$950 per Residential Unit
Single Family Detached Property or Single Family Attached Property	Multi-Family Residential 12-22 (MFR 12-22)	\$950 per Residential Unit
Multi-Family Property	Multi-Family Residential 12-22 (MFR 12-22)	\$5,000 per Acre
Other Property	N/A	\$9,500 per Acre

* On July 1, 2006 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 1 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

2. *Final Map Property*

The following maximum rates shall apply to all Parcels of Final Map Property within CFD No. 2005-2:

TABLE 2 FINAL MAP PROPERTY MAXIMUM SPECIAL TAX		
Land Use Category	Specific Plan Land Use Designation	Maximum Special Tax (Fiscal Year 2005-06) *
Single Family Detached Property	Single Family Residential 3-5 (SFR 3-5)	\$1,400 per SFD Lot
Single Family Detached Property	Single Family Residential 4-7 (SFR 4-7)	\$1,250 per SFD Lot
Single Family Detached Property	Medium Density Residential 7-12 (SFR 7-12)	\$950 per SFD Lot
Single Family Detached Property	Multi-Family Residential 12-22 (MFR 12-22)	\$950 per SFD Lot

* On July 1, 2006 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 2 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

3. *Large Lot Subdivision Map Property*

The following maximum rates shall apply to all Parcels of Large Lot Subdivision Map Property within CFD No. 2005-2:

TABLE 3 LARGE LOT SUBDIVISION MAP PROPERTY MAXIMUM SPECIAL TAX		
Land Use Category	Specific Plan Land Use Designation *	Maximum Special Tax (Fiscal Year 2005-06) **
Single Family Detached Property	Single Family Residential 3-5 (SFR 3-5)	\$7,000 per Acre
Single Family Detached Property	Single Family Residential 4-7 (SFR 4-7)	\$8,750 per Acre
Single Family Detached Property	Medium Density Residential 7-12 (SFR 7-12)	\$11,400 per Acre
Single Family Detached Property	Multi-Family Residential 12-22 (MFR 12-22)	\$5,000 per Acre

* If more than one Specific Plan Land Use Designation occurs on a single Assessor's Parcel, the Administrator shall calculate the Maximum Special Tax that applies to the acreage within each Specific Plan Land Use Designation; the sum of the Maximum Special Taxes shall be the Maximum Special Tax for the Parcel.

** On July 1, 2006 and on each July 1 thereafter, the Maximum Special Taxes shown in Table 3 shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

4. *Vineyard Point Tentative Map Property, Vineyard Creek Tentative Map Property, and Annexation Property*

The Maximum Special Tax for Fiscal Year 2005-06 for Vineyard Point Tentative Map Property, Vineyard Creek Tentative Map Property, and Annexation Property is \$7,300 per Acre. On July 1, 2006 and on each July 1 thereafter, this Maximum Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year.

D. METHOD OF LEVY OF THE SPECIAL TAX

The Administrator shall determine the Special Tax Requirement to be collected each Fiscal Year, and the Special Tax shall be levied according to the steps outlined below.

Step 1: The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

[Based on the Bonds that have been issued each Fiscal Year (if any), the Administrator shall determine which alternative set forth below is applicable for that Fiscal Year.]

Alternative 1: Bonds Have Not Been Issued or only Vineyard Point Bonds Have Been Issued:

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied proportionately on each Assessor's Parcel of Final Map Property within the Vineyard Point Tentative Map, up to 100% of the Maximum Special Tax for Final Map Property for such Fiscal Year.

Step 3: If additional revenue is needed after applying the first two steps, the Special Tax shall be levied proportionately on each Parcel of Large Lot Subdivision Map Property within the Vineyard Point Tentative Map, up to 100% of the Maximum Special Tax for Large Lot Subdivision Map Property for such Fiscal Year.

Step 4: If additional revenue is needed after applying the first three steps, the Special Tax shall be levied proportionately on each Parcel of Vineyard Point Tentative Map Property, up to 100% of the Maximum Special Tax for Vineyard Point Tentative Map Property for such Fiscal Year.

Step 5: If additional revenue is needed after applying the first four steps, the Special Tax shall be levied proportionately on each Assessor's Parcel of Final Map Property within the Vineyard Creek Tentative Map, Annexed Parcel One, and Annexed Parcel Two, up to 100% of the Maximum Special Tax for Final Map Property for such Fiscal Year.

Step 6. If additional revenue is needed after applying the first five steps, the Special Tax shall be levied proportionately on each Parcel of Large Lot Subdivision Map Property within the Vineyard Creek Tentative Map, Annexed Parcel One, and Annexed Parcel Two, up to 100% of the Maximum Special Tax for Large Lot Subdivision Map Property for such Fiscal Year.

Step 7. If additional revenue is needed after applying the first six steps, the Special Tax shall be levied proportionately on each Parcel of Vineyard Creek Tentative Map Property and Annexation Property, up to 100% of the Maximum Special Tax for such property for such Fiscal Year.

Step 8. If additional revenue is needed after the first seven steps, the Special Tax shall be levied proportionately on each Assessor's Parcel of Excess Public Property, up to 100% of the Maximum Special Tax for Vineyard Creek Tentative Map Property and Vineyard Point Tentative Map Property for such Fiscal Year.

Alternative 2: Only Vineyard Creek Bonds Have Been Issued:

Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied proportionately on each Assessor's Parcel of Final Map Property within the Vineyard Creek Tentative Map, Annexed Parcel One, and Annexed Parcel Two, up to 100% of the Maximum Special Tax for Final Map Property for such Fiscal Year.

Step 3. If additional revenue is needed after applying the first two steps, the Special Tax shall be levied proportionately on each Parcel of Large Lot Subdivision Map Property within the Vineyard Creek Tentative Map, Annexed Parcel One, and Annexed Parcel Two, up to 100% of the Maximum Special Tax for Large Lot Subdivision Map Property for such Fiscal Year.

Step 4. If additional revenue is needed after applying the first three steps, the Special Tax shall be levied proportionately on each Parcel of Vineyard Creek Tentative Map Property and Annexation Property, up to 100% of the Maximum Special Tax for such property for such Fiscal Year.

Step 5. If additional revenue is needed after applying the first four steps, the Special Tax shall be levied proportionately on each Assessor's Parcel of Final Map Property within the Vineyard Point Tentative Map, up to 100% of the Maximum Special Tax for Final Map Property for such Fiscal Year.

Step 6. If additional revenue is needed after applying the first five steps, the Special Tax shall be levied proportionately on each Parcel of Large Lot Subdivision Map Property within the Vineyard Point Tentative Map, up to 100% of the Maximum Special Tax for Large Lot Subdivision Map Property for such Fiscal Year.

Step 7. If additional revenue is needed after applying the first six steps, the Special Tax shall be levied proportionately on each Parcel of Vineyard Point Tentative Map Property, up to 100% of the Maximum Special Tax for Vineyard Point Tentative Map Property for such Fiscal Year.

Step 8. If additional revenue is needed after applying the first seven steps, the Special Tax shall be levied proportionately on each Assessor's Parcel of Excess Public Property, up to 100% of the Maximum Special Tax for

Vineyard Creek Tentative Map Property and Vineyard Point Tentative Map Property for such Fiscal Year.

Alternative 3: Both Vineyard Point Bonds and Vineyard Creek Bonds Have Been Issued:

- Step 2.* If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied proportionately on each Assessor's Parcel of Final Map Property within the CFD, up to 100% of the Maximum Special Tax for Final Map Property for such Fiscal Year.
- Step 3.* If additional revenue is needed after applying the first two steps, the Special Tax shall be levied proportionately on each Parcel of Large Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for Large Lot Subdivision Map Property for such Fiscal Year.
- Step 4.* If additional revenue is needed after applying the first three steps, the Special Tax shall be levied proportionately on each Parcel of Vineyard Creek Tentative Map Property, Vineyard Point Tentative Map Property, and Annexation Property, up to 100% of the Maximum Special Tax for such property for such Fiscal Year.
- Step 5.* If additional revenue is needed after applying the first four steps, the Special Tax shall be levied proportionately on each Assessor's Parcel of Excess Public Property, up to 100% of the Maximum Special Tax for Vineyard Creek Tentative Map Property and Vineyard Point Tentative Map Property for such Fiscal Year.

E. COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 2005-2 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 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.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2045-46. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

F. EXEMPTIONS

Notwithstanding any other provision of this Amended RMA, no Special Tax shall be levied on up to **112.67** Acres of Public Property, which is planned for and comprised of approximately 49.73 acres for streets, 12.95 acres for parks, a 10.0 acre school site, a 4.17 acre water storage site, a 0.32 acre pump station site, a 3.87 acre drainage channel site, a 9.75 drainage corridor site, a 0.37 acre SMUD site, 17.15 acres for two detention basins, 0.33 acres for two well sites, 0.23 acres of utility easements, and 3.79 acres of landscaping. Vineyard Point includes approximately 66 percent, or 74.87 acres, of Public Property, while Vineyard Creek includes the remaining 34 percent, or 37.79 acres, of Public Property. A Special Tax may be levied on Excess Public Property pursuant to steps set forth in Section D; however, a public agency may require that the special tax obligation on land conveyed to it that would be classified as Excess Public Property be prepaid pursuant to Section G below. No Special Tax shall be levied in any Fiscal Year on Parcels that have fully prepaid the Special Tax obligation pursuant to the formula set forth in Section G.

In addition to the exemptions set forth above, no Special Tax shall be levied on the Exempt Parcel subsequent to Annexation Approval.

G. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section G:

“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 on behalf of the CFD prior to the date of prepayment.

“Public Facilities Requirements” means either \$18,500,000 in 2005 dollars, which shall increase on January 1, 2006, 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 Administrator to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 2005-2.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus any portion of the Public Facilities Requirements funded by Previously Issued Bonds

(as defined above), developer equity, Special Tax revenues, and/or any other source of funding.

The Special Tax obligation applicable to an Assessor's Parcel in the CFD 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 County with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Administrator 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. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<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 from Step 1 by the then-current Expected Maximum Special Tax Revenues for the 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.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 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 first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8:** Compute the amount of interest the County reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the “*Defeasance Requirement*”).
- Step 10.** Determine the costs of computing the prepayment amount, 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 11.** If and to the extent so provided in the indenture 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 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*”).

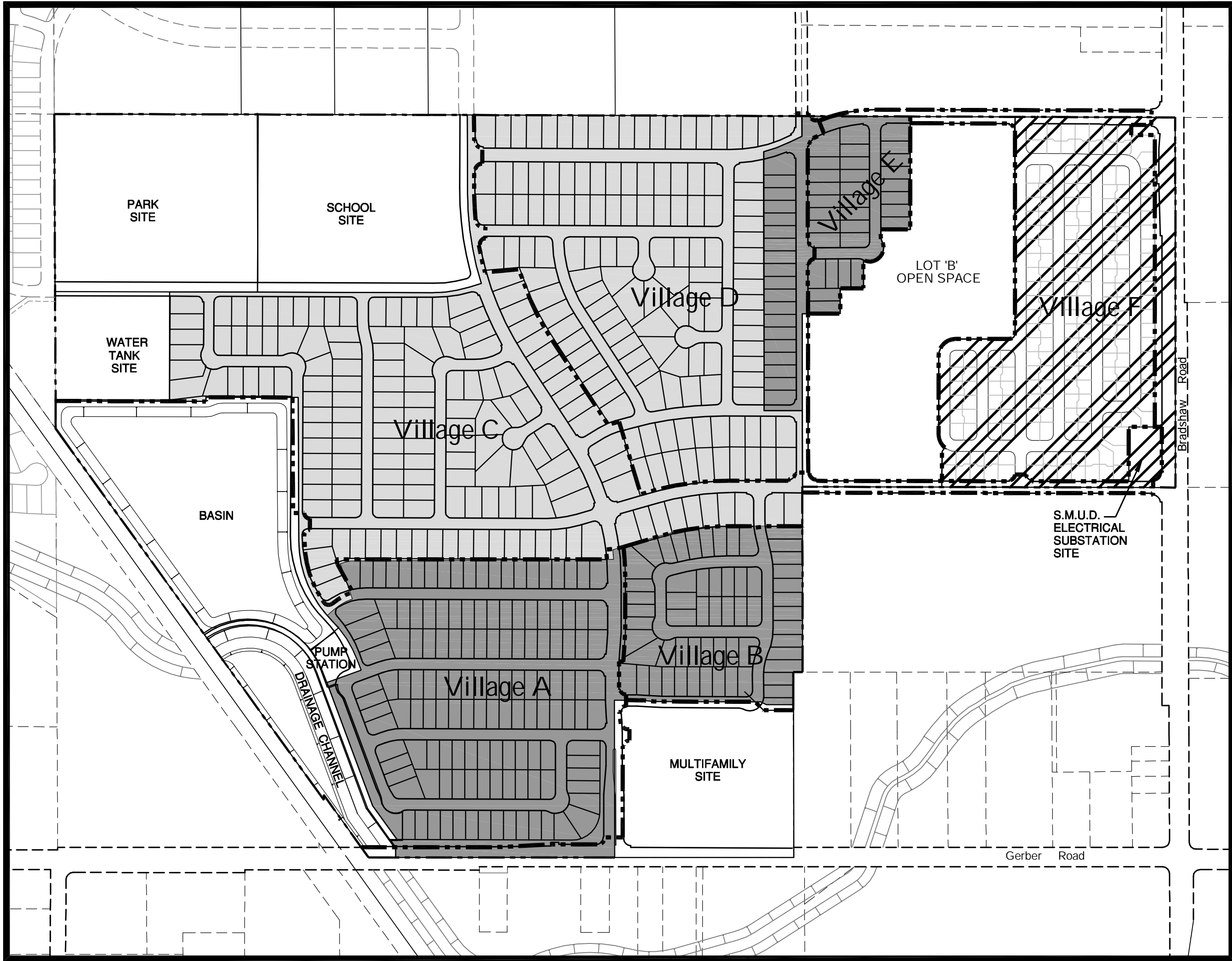
H. INTERPRETATION OF SPECIAL TAX FORMULA

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 this Amended RMA.

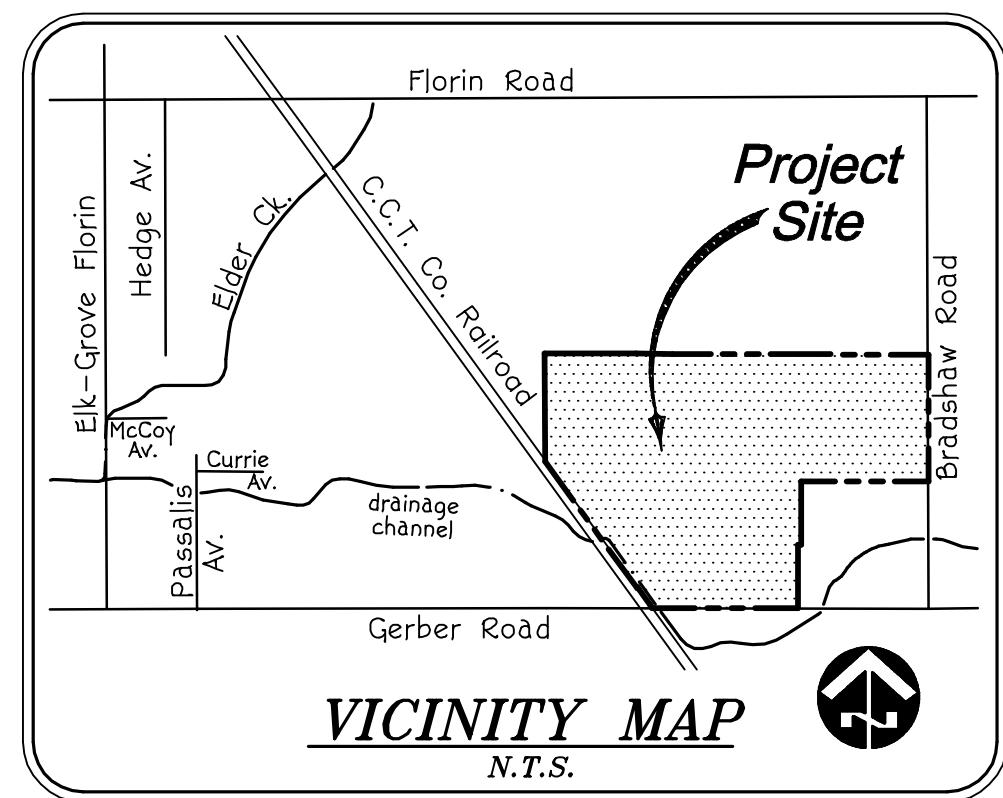
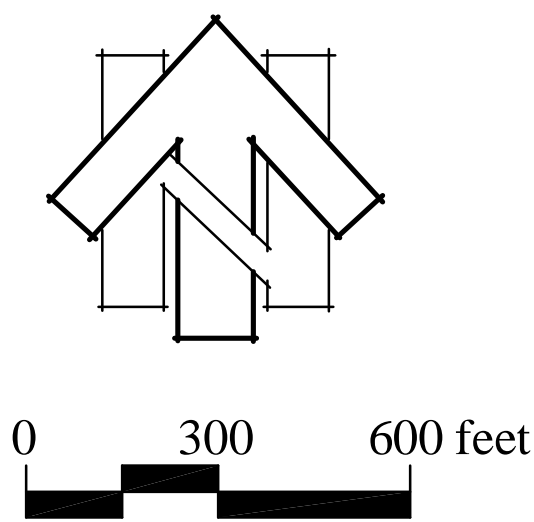
ATTACHMENT 1

**COUNTY OF SACRAMENTO
COMMUNITY FACILITIES DISTRICT No. 2005-2
(NORTH VINEYARD STATION No. 1)**

IDENTIFICATION OF EXPECTED LAND USES



Vineyard Point	Specific Plan Zoneing	Anticipated
Village A	SFR 4-7	138
Village B	SFR 4-7	59
Village C	SFR 3-5	152
Village D	SFR 3-5	133
Village E	SFR 4-7	19
Village F	MDR 7-12	31
Vineyard Point Buildout	TOTAL UNITS	725



Anticipated Layout Unit Count Exhibit

Zones:

- 3-5
- 4-7
- 7-12

VINEYARD POINT

Sacramento County,

California

Scale: 1" = 300'

January 16, 2006

MACKAY & SOMPS
CIVIL ENGINEERS, INC.
SACRAMENTO, CALIFORNIA (916) 929-6092

7708-CFD

ATTACHMENT 2

**COUNTY OF SACRAMENTO
COMMUNITY FACILITIES DISTRICT No. 2005-2
(NORTH VINEYARD STATION No. 1)**

**EXPECTED LAND USES AND
EXPECTED MAXIMUM SPECIAL TAX REVENUES
AT ANNEXATION APPROVAL**

ATTACHMENT 2

**COUNTY OF SACRAMENTO
COMMUNITY FACILITIES DISTRICT NO. 2005-2
(NORTH VINEYARD STATION NO. 1)**

**EXPECTED LAND USES AND
EXPECTED MAXIMUM SPECIAL TAX REVENUES
AT ANNEXATION APPROVAL**

<i>Specific Plan Land Use Designation</i>	<i>Number of Expected Units/Acres Within Specific Plan Land Use Designation</i>	<i>Maximum Special Tax Per Unit/Acre for Fiscal Year 2005-06 *</i>	<i>Total Expected Maximum Special Tax Revenues *</i>
VINEYARD POINT TENTATIVE MAP			
SFR 3-5	285 Residential Units	\$1,400 per Residential Unit	\$399,000
SFR 4-7	247 Residential Units	\$1,250 per Residential Unit	\$308,750
MDR 7-12	193 Residential Units	\$950 per Residential Unit	\$183,350
<i>Subtotal, Vineyard Point Tentative Map</i>			<i>\$891,100</i>
VINEYARD CREEK TENTATIVE MAP, ANNEXED PARCEL ONE, AND ANNEXED PARCEL TWO			
SFR 3-5	272 Residential Units	\$1,400 per Residential Unit	\$380,800
SFR 4-7	103 Residential Units	\$1,250 per Residential Unit	\$128,750
MDR 7-12	45 Residential Units	\$950 per Residential Unit	\$42,750
MFR 12-22	6.04 Acres	\$5,000 per Acre	\$30,175
<i>Subtotal, Vineyard Creek Tentative Map</i>			<i>\$582,475</i>
Total Expected Maximum Special Tax Revenues			\$1,473,575

** Figures are shown in fiscal year 2005-06 dollars and will escalate two percent (2%) per year thereafter.*