

EXHIBIT C

COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2001-1 (GOLD RIVER STATION NO. 7)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2001-1 (Gold River Station No. 7) [herein "CFD No. 2001-1"] shall be levied and collected according to the tax liability determined by the Board of Supervisors (herein the "Board") of the County of Sacramento, acting in its capacity as the legislative body of CFD No. 2001-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2001-1, 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:

"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. 2001-1, 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. 2001-1.

"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 Permits” 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 Taxable Property which were included within a Final Map that was recorded by the County Recorder’s Office prior to January 1 of the preceding Fiscal Year.

“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.

“Other Property” means any Parcel of Developed Property which is not Single Family Detached Residential Property.

“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.

“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. 2001-1, (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. 2001-1.

“**Taxable Property**” means all Assessor’s Parcels within the boundaries of CFD No. 2001-1 which are not exempt from the Special Tax pursuant to law or Section E below.

B. CATEGORIZING PARCELS 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. 2001-1. Based on review of recorded Final Maps 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 D below. All Parcels of Developed Property shall be further categorized as either Single Family Detached Residential Property or Other Property, as applicable.

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. The following Maximum Special Tax rates apply to all Parcels of Taxable Property within CFD No. 2001-1:

Land Use Category	Maximum Special Tax (Fiscal Year 2001-02) *
Single Family Detached Residential Property	\$280 per Parcel
Other Property	\$2,266 per Acre
Undeveloped Property	\$2,266 per Acre

** Beginning January 2, 2002 and each January 2 thereafter, the Maximum Special Tax 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.*

D. 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 pursuant to Section C 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 determined pursuant to Section C above.

The Special Tax for CFD No. 2001-1 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. 2001-1 financial obligations and the Special Tax shall be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on land that has been conveyed to a Public Agency, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

F. 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 Rate and Method of Apportionment.

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