

## APPENDIX A

### COUNTY OF SACRAMENTO LAGUNA CREEK RANCH/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT NO. 1

#### Improvement Area 2 - Elliott Ranch

## RATE AND METHOD OF APPORTIONMENT

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### 1. Basis of Special Tax Levy

A Special Tax under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the Laguna Creek Ranch/Elliott Ranch Community Facilities District (the "CFD") of the County of Sacramento (the "County") shall be levied and collected according to the tax liability determined by the County through the application of the appropriate amount or rate, as described below.

### 2. Definitions

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"**Annual Costs**" means for each Fiscal Year or Bond Year for the CFD, the total of 1) Debt Service; 2) Administrative Expenses; 3) any amounts needed to replenish the bond reserve fund and to pay for delinquencies in Special Taxes for the previous Fiscal Year or Bond Year; and 4) pay-as-you-go expenditures for authorized improvements; less any amounts paid to the CFD from development fees, reimbursements, and/or prepaid Special Taxes.

"**Administrative Expenses**" means the costs incurred by the County to determine, levy and collect the Special Taxes, including salaries of County employees and the fees of consultants and corporate bond paying and/or fiscal agents or trustees for bonds and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the CFD as determined by the Public Works Administrator of Sacramento County.

"**Annual Tax Revenues**" means the amount of Special Taxes required each Fiscal Year or Bond Year to pay the Annual Costs.

"**Backup Tax**" means an additional Special Tax to compensate for lower than anticipated Taxable Acreage in a Special Tax Area.

**"Board"** means the Board of Supervisors of the County as the legislative body for the CFD under the Act.

**"Bond Year"** means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

**"CFD"** means the Laguna Creek Ranch/Elliott Ranch Community Facilities District No. 1 of the County of Sacramento.

**"County"** means the County of Sacramento, California.

**"Debt Service"** means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds of the County for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources and less any capitalized interest and other funds available to the County to pay principal and interest for the previous Fiscal Year or Bond Year.

**"Elliott Ranch"** means Improvement Area 2 of the CFD. Each improvement area has separate bond authorization and Maximum Annual Special Tax liability.

**"Final Map or Parcel Map"** means a map submitted to the County creating Final Use Parcels which designate public use dedications including streets, roads, parks, wetlands, etc.

**"Final Use Parcel"** means a Parcel receiving one of the following development approvals from the County where right-of-way for streets and other public facilities are dedicated:

- |                           |  |
|---------------------------|--|
| Single Family Residential | - Final Subdivision Map/Parcel Map                 |
| Multi-Family Residential  | - Final Subdivision Map/Parcel Map with zoning     |
| Condominium               | - Final Subdivision Map/Condominium Map/Parcel Map |
| Business/Professional     | - Parcel Map with zoning                           |
| Commercial                | - Parcel Map with zoning                           |
| Industrial                | - Parcel Map with zoning                           |
| Institutional             | - Parcel Map with zoning                           |
| Public                    | - Final Subdivision Map/Parcel Map                 |
| Wetlands                  | - Final Subdivision Map/Parcel Map                 |

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

**"Gross Acre(age)"** means the acreage of a Parcel prior to dedication of right-of-way for streets, roads, landscaping, and other public purposes.

**"Laguna Creek Ranch"** means Improvement Area 1 of the CFD. Each improvement area has separate bond authorization and Maximum Annual Special Tax liability.

**"Large-Lot Residential"** means any Parcels zoned as R-1 or R-2.

**"Maximum Annual Special Tax"** means the greatest amount of Special Tax that can be levied against a Parcel in any Fiscal Year. Each time a Parcel is subdivided, the Maximum Annual Special Tax will be reassigned to the Final Use Parcels.

**"Net Acre(age)"** means the acreage of a Parcel as shown on the Final Map or Parcel Map excluding right-of-way dedicated for streets, roads, landscaping and other public purposes.

**"Net-Net-Acre(age)"** means the acreage of a Single-Family Residential Parcel after a 23% dedication of Net Acreage for streets and roads within the boundaries of the Subdivision.

**"Parcel"** means any County Assessor's parcel in the CFD based on the equalized tax rolls of Sacramento County as of the end of the previous Fiscal Year.

**"Planned Parcel"** means any Parcel that is not a Final Use Parcel.

**"Public Parcel"** means any Parcel that is, or is intended to be, publicly owned which is normally tax-exempt under California law, including public streets, schools, parks, drainageways, landscaping, green-belts, and open space and is exempt from Special Taxes as described below.

**"PWA"** means Public Works Administrator of Sacramento County or his or her designee.

**"Single Family Residential"** means land developed at R-3 to R-10 zoning.

**"Special Tax(es)"** mean(s) any tax levy under the Act in the CFD.

**"Special Tax Areas"** means the areas established at the time of formation of the CFD to define areas with different Special Tax assignments. There are two Special Tax areas within Improvement Area 2 as shown in **Attachment 2** and described in **Attachment 3**.

**"Subdivision"** means a group of Final Use Parcels created from a Planned Parcel through the Subdivision Map Act process.

**"Tax Collection Schedule"** means the document prepared by the County for the County Auditor to use in collecting the Special Taxes each Fiscal Year.

**"Taxable Parcel"** means any Parcel that is not exempt from Special Taxes as defined below.

**"Tax-Exempt Parcel"** means any Parcel that is a Public Parcel. In addition, any Parcel designated as a lake or wetlands, as determined by the PWA, is also exempt from the Special Tax.

### **3. Determination of Parcels Subject to Special Tax**

The records of the County Assessor shall be used to determine the parcels subject to the Special Tax. The basis for determining the parcels will be the Equalized Property Tax Roll.

The Special Tax shall be levied on the owner of record on the County Assessor's records as of June 1 of each Fiscal Year based on the land use classification and the Maximum Annual Special Tax assigned to each Parcel by the PWA for each year.

The PWA shall prepare a list of the Parcels subject to the Special Tax using the records of the County Assessor any other County records. The PWA shall identify the Taxable Parcels from a list of all Parcels within the CFD using the procedure described below.

- 1) Exclude all Tax-Exempt Parcels.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed or subsequent Final Maps are recorded will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied by the procedure described in Section 7. An exception to this may be made if public parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels become Taxable Parcels. This trading of parcels will be allowed to the extent that there is no net loss in taxable acreage.

- 2) Exclude all Parcels which have satisfied their Special Tax obligation through the provisions of Section 7.
- 3) The remaining Parcels are subject to the Special Tax.

It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

### **4. Termination of the Special Tax**

The Special Tax will be levied for as long as is needed to pay the principal and interest on debt incurred in order to construct the authorized facilities, the costs and incidental expenses of services, the costs of construction of the authorized facilities, and any authorized pay-as-you-go expenditures.

When the all the expenditure incurred by the CFD in order to construct the authorized facilities, and to retire any debt incurred in this construction, have been paid, the Special Tax shall cease to be levied. The Board shall direct the County Clerk to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

## 5. Assignment of Maximum Annual Special Tax

The CFD consists of two improvement areas: Laguna Creek Ranch - Improvement Area 1 and Elliott Ranch - Improvement Area 2.

Elliott Ranch is divided into two Special Tax Areas. Each Special Tax Area is assigned a Maximum Annual Special Tax per Gross and Net Acre. **Attachment 1** shows the estimated Maximum Annual Special Taxes for both Special Tax Areas.

Parcels will be subject to the Maximum Annual Special Tax until all bonds issued by the CFD have been retired and all authorized pay-as-you-go expenditures have been made. Parcels may satisfy their Special Tax requirement and have the lien canceled by prepaying the Special Tax obligation as described in Section 7.

### Special Tax Area 1

Planned Parcels are assigned a tax per Gross Acre. When a Planned Parcel is subdivided and/or becomes a Final Use Parcel, the basis of the Maximum Annual Special Tax will be changed from a tax per Gross Acre to a tax per Net Acre or per unit depending on the land use. Parcels having more than one zoning designation will assigned the Special Tax for the land uses represented. Such average will be calculated by the PWA.

The assignment of the Maximum Annual Special Tax to Final Use Parcels created by a Subdivision varies by land use within Special Tax Area 1 as follows:

- a) Multi-family rental, Commercial, Institutional uses (all uses except Single-Family Residential, condominium, and office/industrial) - the Maximum Annual Special Tax assigned to each Final Use Parcel is calculated by multiplying the Net Acreage of the Parcel by the Special Tax per Net Acre from **Attachment 1** for each Parcel's land use designation determined by the Final Map.

If a Parcel zoned for multi-family, Limited Commercial, or Travel Commercial is rezoned to a single-family residential land use, the Maximum Annual Special Tax per acre for this Parcel will increase in direct proportion to the loss of anticipated taxable acres. Office/Industrial parcels rezoned to single-family use will be assigned the Single-Family Residential Maximum Annual Special Tax rate.

- b) Office/Industrial uses - the Maximum Annual Special Tax assigned to each Final Use Parcel is calculated by multiplying the Net Acreage of the Parcel by the Special Tax per Net Acre from **Attachment 1** for each Parcel's land use designation determined by the Final Map. Because MP-zoned land's Maximum Annual Special Tax rate is lower than the average Maximum Annual Special Tax rate, MP-zoned land's will remain at the Planned Parcel Special Tax rate until Parcel Maps are recorded for all commercial land.

Elliott Ranch has an estimated 52.3 acres of MP-zoned land included on its tentative map. Because this land use has a Final Use Parcel Special Tax that is lower than the Planned Parcel Special Tax, any additional land rezoned to MP will retain its prior

Maximum Annual Special Tax per Net Acre assignment, and will not be assigned the lower Maximum Annual Special Tax for MP-zoned land.

- c) Single-Family Residential - When a Final Map for a single-family residential Subdivision is processed, the Maximum Annual Special Tax will be calculated by multiplying the Maximum Annual Special Tax per Net Acre for Single-Family Residential land, or as described in a) above for Parcels that have been rezoned to a Single Family Residential use, by the Subdivision's Net Acres and dividing the result by the number of single-family units in the Subdivision. The resulting Maximum Annual Special Tax is assigned to each unit.
- d) Condominium - When a condominium map for a condominium project is processed, the Maximum Annual Special Tax will be calculated by multiplying the Maximum Annual Special Tax for multi-family residential land by the Subdivision's Net Acres and dividing the result by the number of condominium units in the Subdivision. The result is assigned to each unit.
- e) Any Parcels receiving zoning approvals other than those shown on **Attachment 1** will be assigned a Maximum Annual Special Tax per Net Acre equal to the Maximum Annual Special Tax that would have been assigned on the tentative map zoning.
- f) Wetlands - When a Final Map or Parcel Map is processed the Maximum Annual Special Tax will be set to zero. If the wetlands Parcel remains in private ownership, the tax will be zero dollars as long as the Parcel remains a Tax-Exempt Parcel. If the land becomes a Taxable Parcel, it will be subject to the Maximum Annual Special Tax. The Special Tax will be set based on the calculations described in (a), (b), (c), (d) above.

## Special Tax Area 2

Planned Parcels are assigned a tax per Gross Acre. When a Planned Parcel is subdivided and/or becomes a Final Use Parcel, the basis of the Maximum Annual Special Tax will be changed from a tax per Gross Acre to a tax per Net Acre or per unit depending on the land use. The Maximum Annual Special Tax per Final Use Parcel shall be assigned in Special Tax Area 2 as follows:

- a) Multi-family rental, Commercial, Office/Industrial, and Institutional uses (all uses except Single-Family Residential and condominium) - the Maximum Annual Special Tax assigned to each Final Use Parcel is calculated by multiplying the Net Acreage of the Parcel by the Special Tax per Net Acre for Final Use Parcels from Attachment 1.

If a Parcel zoned for multi-family residential use is rezoned to a single-family residential land use, the Maximum Annual Special Tax per acre for this Parcel will increase in direct proportion to the loss of anticipated taxable acres.

- b) Single-Family and Large-Lot Residential - When a Final Map for a Single-Family Residential Subdivision or Large-Lot Residential Parcel is processed, the Maximum Annual Special Tax will be calculated by multiplying the Maximum Annual Special Tax per Net Acre for Single-Family or Large-Lot Residential land, or as described in a) above for Parcels that have been rezoned to a Single Family Residential use, by the Subdivision's Net Acres and dividing the result by the number of single-family or Large-Lot Residential units in the Subdivision. The resulting Maximum Annual Special Tax is assigned to each unit.
- c) Large-Lot Residential Parcels purchased by a public agency - If the lot area of a Large-Lot Residential Parcel is reduced through the fee-purchase of a portion of the lot by a public agency, the PWA shall calculate the Maximum Annual Special Tax per reduced Large-Lot Residential Parcel as if the Parcel was a Single-Family Residential Parcel rather than a Large-Lot Residential Parcel. The difference between the original Large-Lot Residential Parcel Maximum Annual Special Tax and the recalculated Maximum Annual Special Tax shall be assigned to the portion of the Parcel being purchased by the public agency. Parcels purchased by the public agency shall remain subject to the Special Tax unless prepaid.
- d) Condominium - When a condominium map for a condominium project is processed, the Maximum Annual Special Tax will be calculated by multiplying the Maximum Annual Special Tax for Final Use Parcels from Attachment 1 by the Subdivision's Net Acres and dividing the result by the number of condominium units in the Subdivision. The result is assigned to each unit.

## 6. Setting the Annual Special Tax Rate

The Special Tax levy for each Parcel will be established annually as follows: A separate calculation for each Special Tax Area to determine the tax levy for Parcels within the Special Tax Area will be completed as follows:

- 1) For Tax-Exempt Parcels, no Special Tax shall be apportioned or levied, except as noted in Section 3, step (1) above.
- 2) For Taxable Parcels, identify the Parcels in each Special Tax Area and compute the Maximum Special Tax for each area using the amounts shown on **Attachment 1**, as follows:
  - (a) For Planned Parcels, multiply the Maximum Annual Special Tax per Gross Acre as shown on **Attachment 1** by the Gross Acreage of each Taxable Parcel.
  - (b) For Final Use Parcels, use the following:
    - (i) Multiply the Maximum Annual Special Tax per Net Acre, from **Attachment 1**, by each Parcel's Net Acreage with the exception noted in Section 5, step (b) for Special Tax Area 1, and Section 5, step (d) for Special Tax Area 2.

- (ii) For Single-Family Residential Parcels, assign the Maximum Annual Special Tax per unit as calculated in Section 5, step (c) for Special Tax Area 1 and step (b) for Special Tax Area 2
  - (iii) For condominium Parcels, assign the Maximum Annual Special Tax per unit as calculated in Section 5, step (d) for Special Tax Area 1 and step (c) for Special Tax Area 2.
  - (iv) For all multi-family and non-residential Parcels, multiply the Maximum Annual Special Tax per Net Acre, from **Attachment 1**, by each Parcel's Net Acreage with the possible exception noted in Section 5, step (b) for Special Tax Area 1 and step (d) for Special Tax Area 2.
- 3) For each Special Tax Area, compute the total Maximum Annual Special Tax Revenue by summing the Maximum Annual Special Tax computed for each Parcel in step 2 above.
  - 4) Compute the Annual Costs using the definitions above and assign a portion of these Annual Costs to each Special Tax Area based on the percentage share for each area as given in **Attachment 1**.
  - 5) Compare the Annual Costs with the Maximum Annual Special Tax revenue from Step 3 above for each Special Tax Area
    - (a). If the Annual Costs are less than the Maximum Annual Special Tax revenue for an area, decrease the Special Tax proportionately for each Parcel until the Special Tax revenue equals the Annual Costs assigned to the Special Tax Area.
    - (b) If the Annual Costs are greater than the Special Tax revenue in either Special Tax Area, increase the Special Taxes for all Parcels in the other Special Tax Area proportionately until the Maximum Special Tax Revenue equals the Annual Costs or the Maximum Special Tax for each land use is reached in each Special Tax Area.
  - 6) Prepare the Tax Collection Schedule for each Parcel and send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the following Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

The County shall make every effort to correctly assign the number of taxable units and calculate the annual tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments.



As development and subdivision of Elliott Ranch Parcels takes place, the PWA will maintain, and have available for public inspection, a file of each current assessor's Parcel number within the CFD, its Maximum Annual Special Tax, and the authorized Maximum Annual Special Tax on all Parcels within in the CFD. This record shall show the Maximum Annual Special Tax on all Planned and Final Use Parcels and a brief description of the process of subdividing the Special Tax each time a Final Use Parcel was created, including any adjustments due to change in use.

## **7. Prepayment of Special Tax**

Landowners may permanently satisfy the Special Tax obligation by a cash settlement with the County as permitted under Government Code Sections 53321 and 53344. Prepayment is permitted only under the following conditions:

- The County determines that the prepayment of the special tax obligation does not jeopardize its ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent special taxes and penalties prior to prepayment.

The prepayment amount shall be established by the following calculation:

- Step 1: Determine the Maximum Special Tax for the Parcel based on the assignment of the Maximum Special Tax described in Section 5 above.
- Step 2: Determine the "Benefit Share" by dividing the Maximum Facilities Tax determined in Step 1 by the total Maximum CFD Revenue for all Parcels in the CFD.
- Step 3: Determine the Bond Share for the Parcel by multiplying the Benefit Share From Step 2 by the total amount of outstanding bonds issued by the CFD for Elliott Ranch. The amount of outstanding bonds shall be reduced by the bond principal that will be retired in an upcoming Bond Year if Special Taxes have already been levied to pay Debt Service for that Bond Year.
- Step 4: Determine the Reserve Fund Share associated with the Bond Share determined in Step 3 and reduce the Bond Share by the amount of the Reserve Fund Share. The Reserve Fund Share is equal to the reserve requirement on all outstanding bonds multiplied by the Benefit Share.
- Step 5: Determine the total prepayment amount required by adding to the Bond Share amount calculated in Step 4 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, and expenses incurred by the County in connection with the prepayment calculation or the application of the proceeds of the prepayment. If Special Taxes have already been levied, but not collected, at the time the prepayment is

calculated, the owner of the Parcel(s) must pay the Special Taxes included on the property tax bill in addition to the prepayment amount.

## **8. Administrative Changes**

The County Public Works Administrator or designee has authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount or formula of the Special Tax is in error may file a notice with the PWA appealing the levy of the Special Tax. The County Public Works Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the findings of the County Public Works Administrator verify that the tax should be modified or changed, a recommendation at that time will be made to the Board of Supervisors and, as appropriate, the Special Tax levy shall be corrected in a manner determined by the PWA.

Interpretations may be made by Resolution of the Board of Supervisors for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD.

**Attachment 1**

**Elliott Ranch  
Maximum Annual Special Taxes by  
Special Tax Area**

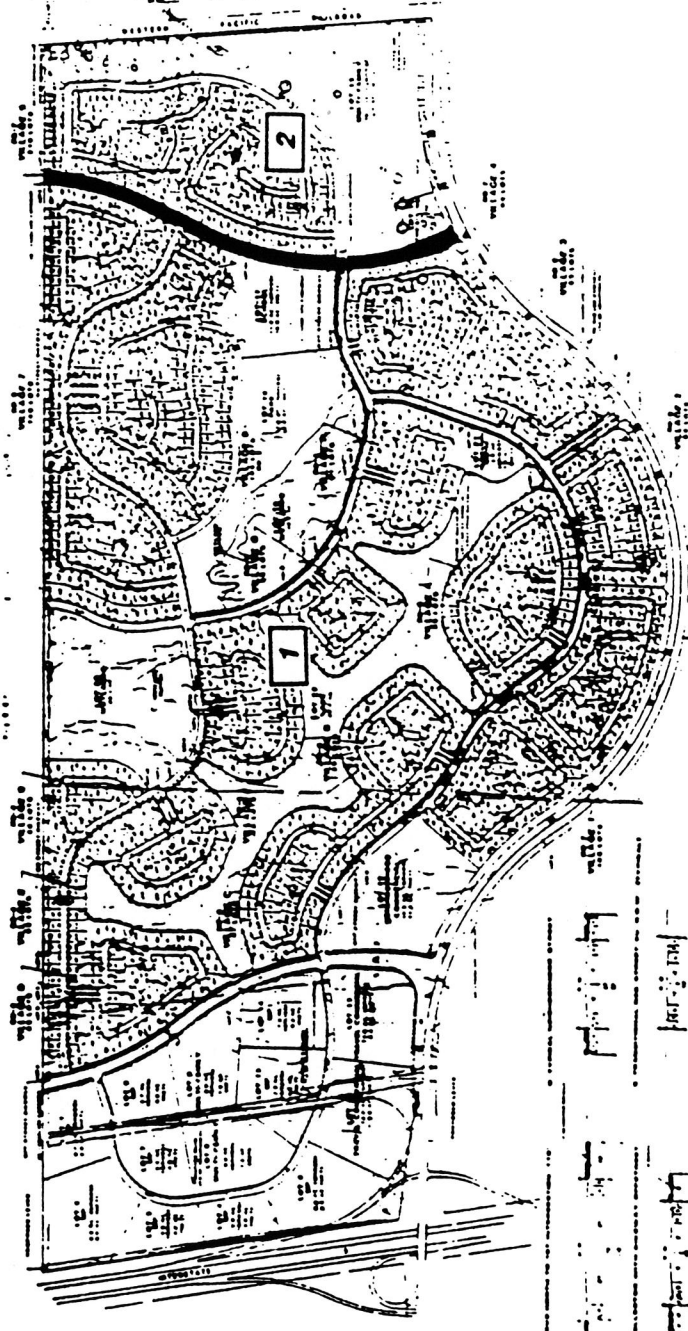
	Max. Annual Special Tax Per Acre (1)	Share of Annual Costs
<b>Planned Parcel Tax</b>	\$3,950	100.00%
<b>SPECIAL TAX AREA 1:</b>		84.84%
<b>Final Use Parcel Tax</b>		
Single-Family Residential - Per Net-Net Acre (1)	\$5,774	
Multi-Family Residential - Per Net Acre	\$4,961	
Limited Commercial (LC) - Per Net Acre	\$8,375	
Travel Commercial (TC) - Per Net Acre	\$8,375	
Office/Industrial (MP) - Per Net Acre	\$3,014	
<b>Subtotal</b>		
<b>SPECIAL TAX AREA 2:</b>		15.16%
Final Use Parcels - Excluding Large-Lot Res. (2)	\$5,345	
Large-Lot Residential	\$1,374	

- (1) Single-Family Residential "net-net" acreage assumes that 23% of land is dedicated to streets and roads within the boundaries of a subdivision.
- (2) Estimated amount of existing Taxable Acres, assuming 23% of the single-family land is dedicated to streets and roads within the boundaries of a subdivision.

Note: Multi-Family or Taxable Non-Residential Parcels that are rezoned for residential use are subject to a higher Maximum Annual Special Tax per acre per provisions in Section 5.

**Attachment 2  
Elliott Ranch (Lakeside)  
Special Tax Areas**

**LAKESIDE**



- DEVELOPER**  
 THE ELLIOTT RANCH DEVELOPMENT  
 10000 W. 10TH AVENUE  
 DENVER, CO 80231
- CIVIL ENGINEER**  
 JAMES H. SPINK & ASSOCIATES  
 10000 W. 10TH AVENUE  
 DENVER, CO 80231
- LAND PLANNER**  
 JAMES H. SPINK & ASSOCIATES  
 10000 W. 10TH AVENUE  
 DENVER, CO 80231



**Spink**

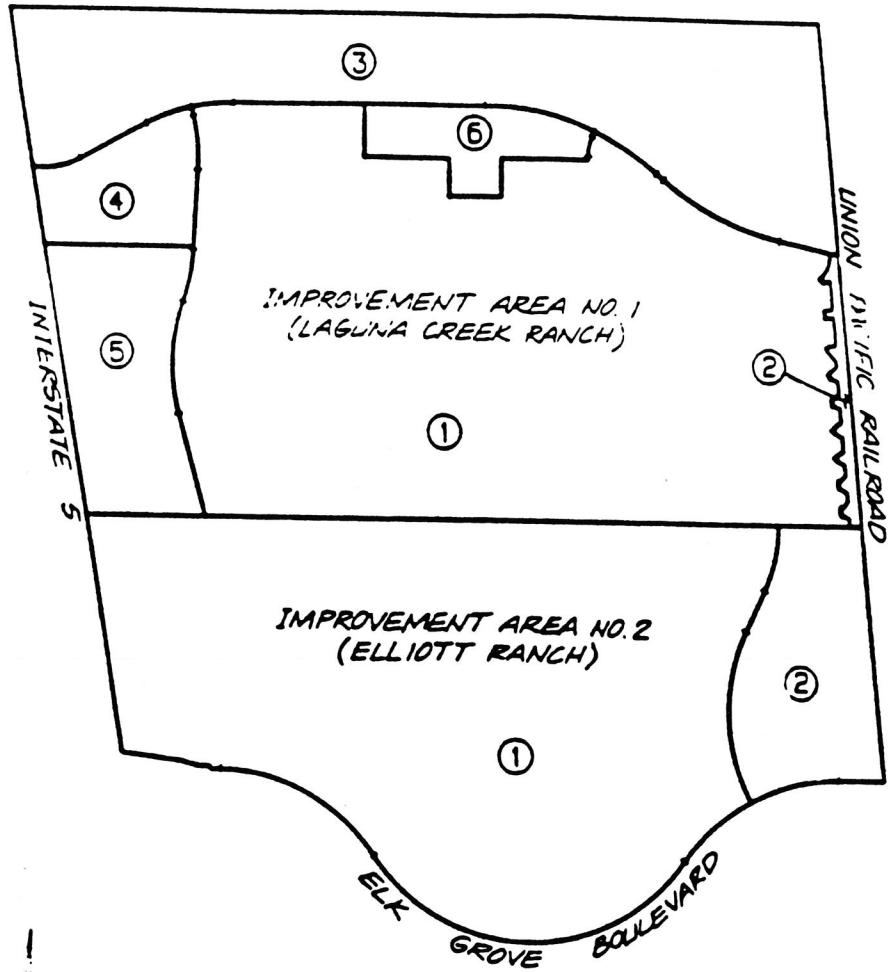
**Attachment 3**  
**Description of Elliott Ranch**  
**Special Tax Areas**

**Special Tax Area 1:**

Special Tax Area 1 is bounded on the west by the western boundary of Improvement Area 2, on the north by the northern boundary of Improvement Area 2, on the south by the southern boundary of Improvement Area 2, and on the east by the planned collector road currently named "ER-2," as shown in Attachment 2.


**Special Tax Area 2:**

Special Tax Area 2 is bounded on the east by the eastern boundary of Improvement Area 2, on the north by the northern boundary of Improvement Area 2, on the south by the southern boundary of Improvement Area 2, and on the west by the planned collector road currently named "ER-2," as shown in Attachment 2.



○ SPECIAL TAX AREA

00911-1-11

JOB NO. <u>545-52</u> DATE <u>5-22</u> 18 PAGE SCALE <u>1"=100'</u> DRAWN BY <u>BJ</u> CHECKED BY	TITLE <u>MAP OF LAGUNA CREEK RANCH / ELLIOTT RANCH COMMUNITY FACILITIES</u> <u>DISTRICT NO 1 - IMPROVEMENT ZONES</u> CLIENT <u>182 AND SPECIAL TAX AREAS</u> <u>PIER WEST DEVELOPMENTS</u>	 <b>THE SPINK CORPORATION</b> ENGINEERS • PLANNERS • SURVEYORS CODE <u>MACEPIS DR NO 150</u>
	DATE <u>5-22</u> SCALE <u>1"=100'</u> DRAWN BY <u>BJ</u> CHECKED BY	

IMPROVEMENT AREA NO. 2  
SPECIAL TAX AREA 1

All that portion of Sections 5 & 6, T.6N., R.5E.; 31 & 32, T.7N., R.5E., and 36 T.7N., R.4E., M.D.B. & M., as shown on that certain Record of Survey entitled "Portion of Projected Sections; 5, 6, 7, 8, 17 and 18, T.6N., R.5E., 31 and 32, T.7N., R.5E., 36, T.7N., R.4E., and 1, T.6N., R.4E., M.D.B. & M.," recorded in the Office of the Recorder of Sacramento County in Book 35 of Surveys at Page 11, described as follows:

Beginning at the intersection of the Northerly right of way line of Elliott Ranch Road and the Easterly right of way line of Interstate 5 as said Intersection is shown on said Record of Survey; thence from said point of beginning along said Northerly right of way line of Elliott Ranch Road the following three (3) courses: (1) North 89° 40' 33" East 3310.92 feet, (2) North 89° 34' 45" East 2655.27 feet and (3) North 89° 34' 58" East 1452.63 feet; thence curving to the right on an arc of 500.00 feet radius, from a radial bearing of North 86° 40' 07" East, said arc being subtended by a chord bearing south 01° 52' 28" East 25.43 feet; thence curving to the right on an arc of compound curvature with a radius of 1577.08 feet, said arc being subtended by a chord bearing South 12° 00' 24" West 678.59 feet; thence South 24° 25' 50" West 473.24 feet; thence curving to the left on an arc of 2000.00 feet radius, said arc being subtended by a chord bearing South 02° 09' 20" East 1790.18 feet; thence curving to the left on an arc of 2000.00 feet radius, from a radial bearing of North 28° 44' 31" West, said arc being subtended by a chord bearing South 47° 39' 03" West 941.07 feet; thence curving to the right on an arc of 2000 feet radius, said arc being subtended by a chord bearing South 89° 52' 47" West 3309.76 feet; thence curving to the left on an arc 2000 feet radius, said arc being subtended by a chord bearing North 62° 19' 34" West 1880.51 feet; thence South 89° 37' 53" West 111.64 feet; thence North 09° 37' 18" West 32.42 feet; thence South 89° 37' 53" West 129.24 feet; thence North 74° 29' 33" West 175.46 feet; thence North 82° 47' 34" West 650.58 feet; thence North 09° 37' 18" West 2503.90 to the point of beginning.

90/#2A/JK.8

IMPROVEMENT AREA NO. 2  
SPECIAL TAX AREA 2

All that portion of Section 5, T.6N., R.5E. and 32, T.7N., R.5E., as shown on that certain Record of Survey entitled "Portion of Projected Section: 5, 6, 7, 8, 17 and 18, T.6N., R.5E., 31 and 32, T.7N., R.5E., 36, T.7N., R.4E., and 1, T.6N., R.4E., M.D.B. & M.," recorded in the Office of the Recorder of Sacramento County in Book 35 of Surveys at Page 11, described as follows:

Beginning at the Intersection of the Northerly right of way line of Elliott Ranch Road and the Westerly right of way line of Western Pacific Railroad as shown on said Record of Survey; thence from said point of beginning along said Westerly right of way line South 05° 37' 38" 2678.51 feet; thence leaving said Westerly right of way line South 89° 34' 58" West 489.19 feet; thence curving to the left on an arc of 2000.00 feet radius, said arc being subtended by a chord bearing South 75° 25' 14" West 978.68 feet; thence curving to the right on an arc of 2000.00 feet radius, from a radial bearing of South 61° 15' 29" West, said arc being subtended by a chord bearing North 02° 09' 20" West 1790.18 feet; thence North 24° 25' 50" East 473.24 feet; thence curving to the left on an arc of 1577.08 feet radius, said arc being subtended by a chord bearing North 12° 00' 24" East 678.59 feet; thence curving to the left on an arc of compound curvature with a radius of 500.00 feet, said arc being subtended by a chord bearing North 01° 52' 27" West 25.43 feet; thence North 89° 34' 58" East 905.00 feet to the point of beginning.

90/#2A/JK.11