

November 6, 2006

John Bayless
Signature Properties
1322 Blue Oaks Boulevard, Suite 100
Roseville, CA 95678

RE: FIRST AMENDMENT TO FUNDING CONSTRUCTION AND
ACQUISITION AGREEMENT – FIDDYMENT RANCH COMMUNITY
FACILITIES DISTRICT NO. 1

At the meeting of July 19, 2006 the City Council adopted a resolution authorizing the City Manager to execute the agreement for the above. The fully executed agreement is enclosed along with a certified copy of authorizing Resolution No.06-391.

If you have any questions, please contact Financial Analyst Rebecca Santini at (916) 774-5109.

SONIA OROZCO, CMC
CITY CLERK

By:



Judy Moore
Records Coordinator

Cc: Attorney
Finance
Becky Santini/Finance

**FIRST AMENDMENT TO
FUNDING CONSTRUCTION AND ACQUISITION AGREEMENT
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(City of Roseville)**

This First Amendment to Funding Construction and Acquisition Agreement (“**Amendment**”) is entered into as of this 19th day of July, 2006, by and between the **CITY OF ROSEVILLE**, a California chartered municipal corporation (the “**City**”), **ROSEVILLE/FIDDYMENT LAND VENTURE, LLC**, a Delaware limited liability company (“**Roseville/Fiddymment**”), and the West Roseville Development Company, Inc. a Delaware corporation (“**WRDC**”), with respect to that certain Funding Construction and Acquisition Agreement entered into by City and Roseville/Fiddymment with respect to the Fiddymment Ranch Community Facilities District No. 1 in the City of Roseville on or about July 15, 2005 (the “**Original Agreement**”). Roseville/Fiddymment and WRDC are collectively referred to herein as “**Optionor.**” Optionor and the City are collectively referred to herein as the “**Parties.**”

Recitals

A. Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Original Agreement.

B. Roseville/Fiddymment is the owner of the certain real property located in the City of Roseville, California described in Exhibit A-1 attached hereto and shown on the map attached hereto as Exhibit B-1 (the “**Roseville/Fiddymment Property**”).

C. WRDC is the owner of the certain real property located in the City of Roseville, California described in Exhibit A-2 attached hereto and shown on the map attached hereto as Exhibit B-2 (the “**WRDC Property**”). Further, WRDC has acquired an option to purchase a portion of the Roseville/Fiddymment Property. The Roseville/Fiddymment Property and the WRDC property are collectively referred to herein as the “**Property.**”

D. As requested by Owner, City has commenced and completed proceedings for the establishment of a community facilities district as described in Recital C of the Original Agreement, and as required by section 1 of the Original Agreement.

E. In 2005, City issued bonds for the District in the aggregate principal amount of Thirty-Seven Million, Three Hundred Fifty Thousand and No/100ths Dollars (\$37,350,000.00) (“**Phase 1 Bonds**”). Owner has subsequently requested that City issue additional bonds for the District in the aggregate principal amount of Forty-Two Million, Six Hundred Fifty Thousand and No/100ths Dollars (\$42,650,000.00) to pay for the design and construction or acquisition of Public Facilities (“**Phase 2 Bonds**”). References in the Original Agreement to the “**Bonds**” shall be deemed to refer to and include both the Phase 1 Bonds and the Phase 2 Bonds.

F. To acknowledge the foregoing and to clarify certain provisions of the Agreement, City and Owner now enter into this Amendment.

Agreements

1. City and Owner acknowledge the foregoing Recitals, all of which, together with the Recitals set forth in the Original Agreement, are incorporated by this reference as though set forth in full herein.

2. As between Roseville/Fiddymont and WRDC, WRDC shall be responsible for the performance of the Owner obligations under the Original Agreement and this Amendment. Notwithstanding the foregoing to the contrary, the liability of Roseville/Fiddymont and WRDC to the City for the performance of the Owner obligations under the Original Agreement and this Amendment shall be joint and several.

3. Exhibits A, B, C and D of the Original Agreement are hereby deleted in their entirety and replaced with the Exhibits A, B, C and D to this Amendment, respectively.

4. The last paragraph of section 6 of the Original Agreement is hereby deleted and replaced with the following language:

“Owner shall cause the Public Facilities to be constructed in an expeditious manner so that the construction of all such Public Facilities identified in Exhibit D as Phase 1 improvements shall be completed by September 1, 2007 and the Public Facilities identified in Exhibit D as Phase 2 improvements shall be completed by September 1, 2009, or such later dates as may be required by the Development Agreement or as to which the City and Owner may agree; provided, however, that the construction of the Public Facilities shall proceed and be completed so that the proceeds of the Phase 1 Bonds may be expended for the construction and acquisition of the Public Facilities within three (3) years from the date of the issuance of the Phase 1 Bonds and the proceeds of the Phase 2 Bonds may be expended for the construction and acquisition of the Public Facilities within three (3) years from the date of the issuance of the Phase 2 Bonds.”

5. Wherever the Agreement refers to a “**segment**” or “**phase**” as described in section 8 of the Original Agreement and shown on Exhibit D to this Amendment, such reference shall be deemed to mean a segment or phase which “stands alone,” independent of other Public Facilities. “**Public Facility**” and “**Public Facilities**” shall be deemed to include any such stand-alone segment or phase which is shown on Exhibit D to this Amendment.

6. Owner's obligation under section 8 of the Original Agreement to file with the County Recorder of the County of Placer a Notice of Completion as to any completed Public Facility shall accrue only when City has accepted the Public Facility and has issued a Notice of Completion for such Public Facility.

7. The procedure to implement section 10 of the Original Agreement is as follows. Owner shall notify City's Director of Public Works that a Public Facility is complete and shall furnish proof of the amounts to be included in the acquisition price, together with lien releases. Then Public Works staff shall inspect the Public Facility to confirm completion. Then Public Works staff shall notify City's Finance Department regarding completion and shall request payment to Owner. Within ten (10) days thereafter, and provided that the improvement has been conveyed to City or irrevocably offered for dedication, City shall issue payment to Owner in the requested amount, further provided and to the extent that funds are available, except that City shall retain ten percent (10%) of the acquisition price until expiration of the one-year warranty period for the subject Public Facility. Upon expiration of the one-year warranty period, the retention shall be disbursed to Owner, less any amounts utilized by the City for warranty work or completion of punch list items for such Public Facility. Notwithstanding the foregoing to the contrary, Owner may cause the City to release the final ten percent (10%) of the acquisition price by posting the following surety bonds with the City, subject to City's approval of the surety bonds, which approval shall not be unreasonably withheld: a "guarantee and warranty security" in the amount of ten percent (10%) of the acquisition price of the applicable Public Facility to guarantee and warrant the applicable Public Facility against defective work or labor done or defective materials for a period of one year following the date of the City acceptance of the applicable Public Facility as required by Section 66499(a)(5) of the Government Code of the State of California. The foregoing security shall be released upon Owner's request following the expiration of the warranty period and subject to the reasonable determination of the Public Works Director/City Engineer that Owner's warranty obligations have been satisfied.

8. Section 11 of the Original Agreement is not intended to, and does not, obligate any contractor or other person or entity to maintain workers' compensation insurance where not required by the laws of the State of California.

9. The "**assurances of performance**" mentioned in section 15 of the Original Agreement refer to those measures that are reasonably related to the nature and extent of the shortfall encountered at the time as well as the types of assurances contained in the Development Agreement, the financing documents and at law. Examples include, without limitation, surety bonds.

10. Notwithstanding the provisions of Exhibit C to this Amendment or otherwise, the aggregate acquisition price of all wetlands conservation or other environmental impact mitigation shall not exceed ten percent (10%) of the bond proceeds.

11. Sections 5, 6, 7, 8, 9, and 10 of this Amendment are intended and shall serve to clarify, and not to modify, the terms of the Original Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first written above.

CITY:

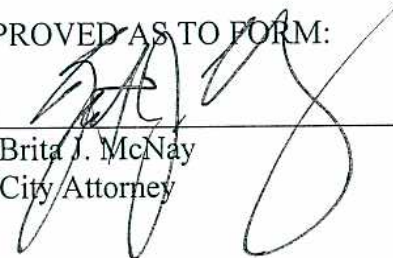
CITY OF ROSEVILLE,
a municipal corporation

By: 
W. Craig Robinson
City Manager

ATTEST:

By: 
Sonia Orozco
City Clerk

APPROVED AS TO FORM:


By: 
Brita J. McNay
City Attorney

OWNER:

ROSEVILLE/ FIDDYMENT LAND VENTURE, LLC,
a Delaware limited liability company,

By: Signature at Fiddymment, LLC, a California limited liability company

By: Signature Properties, Inc., a California corporation

By: 
Name: Michael Ghielmetti
Its: President

WEST ROSEVILLE DEVELOPMENT COMPANY, INC.,
a Delaware corporation

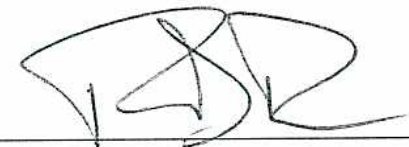
By: 
Its: agent

EXHIBIT A-1

DESCRIPTION OF ROSEVILLE / FIDDYMENT RANCH PROPERTY

That certain real property located in the City of Roseville, County of Placer and State of California more particularly described as Lots 9-A through 9-C, inclusive, Lots 14-A through 14-D, inclusive, Lots 15-A through 15-C, inclusive, Lots 16-A through 16-B, inclusive, Lot 19, Lots 23 through 26, inclusive, and the Designated Remainder as shown on the Large Lot Final Map entitled Fiddyment Ranch Phase 2, Subdivision 03-11, Filed for record July 28, 2006, in Book BB of Maps, at Page 24, in the Office of the Placer County Recorder.

That certain real property located in the City of Roseville, County of Placer and State of California more particularly described as Lots 16, 17, 19, 21 and 23 as shown on the Large Lot Final Map entitled Fiddyment Ranch Phase 1, Subdivision 03-11, Filed for record November 10, 2004, in Book AA of Maps, at Page 10, in the Office of the Placer County Recorder.

PREPARED BY WOOD RODGERS, INC
SACRAMENTO, CALIFORNIA

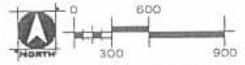
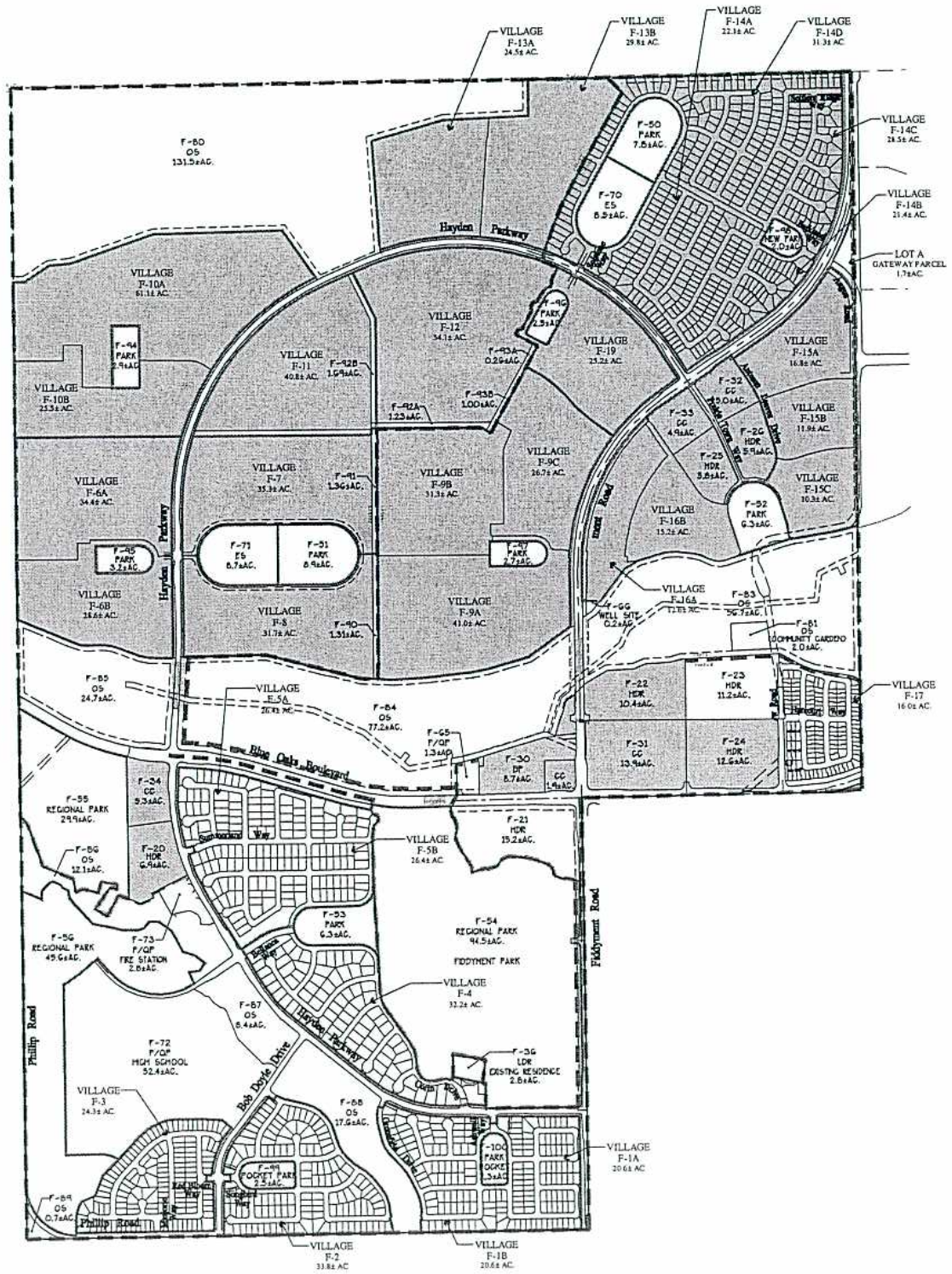
EXHIBIT A-2

DESCRIPTION OF WRDC PROPERTY

That certain real property located in the City of Roseville, County of Placer and State of California more particularly described as Lots 1 through 5, inclusive, Lots 15, 20 and 23 as shown on the Large Lot Final Map entitled Fiddymment Ranch Phase 1, Subdivision 03-11, Filed for record November 10, 2004, in Book AA of Maps, at Page 10, in the Office of the Placer County Recorder.

PREPARED BY WOOD RODGERS, INC
SACRAMENTO, CALIFORNIA

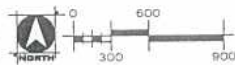
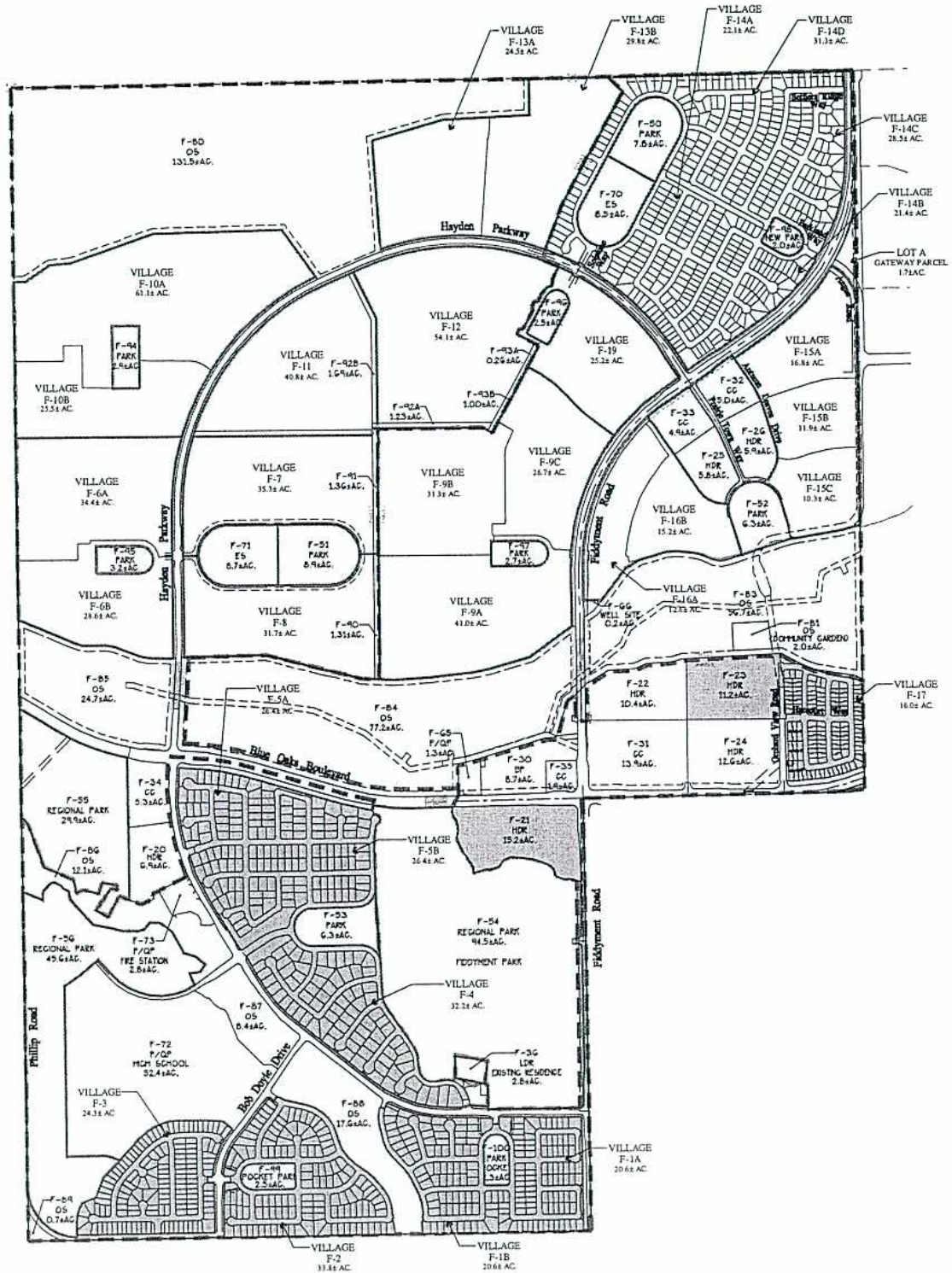
EXHIBIT B-1
ROSEVILLE/FIDDYMENT PROPERTY
 CITY OF ROSEVILLE, CALIFORNIA
 OCTOBER 12, 2006



NOTE
 FOR EXHIBIT B-1, PLANNED APPROVED ONLY. OTHER EXHIBITS, EXHIBIT B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12, B-13, B-14, B-15, B-16, B-17, B-18, B-19, B-20, B-21, B-22, B-23, B-24, B-25, B-26, B-27, B-28, B-29, B-30, B-31, B-32, B-33, B-34, B-35, B-36, B-37, B-38, B-39, B-40, B-41, B-42, B-43, B-44, B-45, B-46, B-47, B-48, B-49, B-50, B-51, B-52, B-53, B-54, B-55, B-56, B-57, B-58, B-59, B-60, B-61, B-62, B-63, B-64, B-65, B-66, B-67, B-68, B-69, B-70, B-71, B-72, B-73, B-74, B-75, B-76, B-77, B-78, B-79, B-80, B-81, B-82, B-83, B-84, B-85, B-86, B-87, B-88, B-89, B-90, B-91, B-92, B-93, B-94, B-95, B-96, B-97, B-98, B-99, B-100, B-101, B-102, B-103, B-104, B-105, B-106, B-107, B-108, B-109, B-110, B-111, B-112, B-113, B-114, B-115, B-116, B-117, B-118, B-119, B-120, B-121, B-122, B-123, B-124, B-125, B-126, B-127, B-128, B-129, B-130, B-131, B-132, B-133, B-134, B-135, B-136, B-137, B-138, B-139, B-140, B-141, B-142, B-143, B-144, B-145, B-146, B-147, B-148, B-149, B-150, B-151, B-152, B-153, B-154, B-155, 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WOOD RODGERS
 ENGINEERING - PLANNING - MAPPING - LANDSCAPE - SURVEYING
 8501 C St, Bldg. 100-B Tel 916.541.7750
 Sacramento, CA 95815 Fax 916.541.7797

EXHIBIT B-2
WRDC PROPERTY
 CITY OF ROSEVILLE, CALIFORNIA
 OCTOBER 12, 2006



NOTE
 FOR UNLESS OTHERWISE NOTED, ALL DIMENSIONS, BOUNDARIES, LOCATIONS AND TIES SHALL BE WITH THIS PROJECT'S RECORD MAPS AND RECORDS.

WOOD RODGERS
 ENGINEERING - PLANNING - SURVEYING
 3801 C St., Bldg. 100-B 1st Fl. Bldg. 17780
 Sacramento, CA 95819 Fax 916.541.7787

EXHIBIT C

Fiddymet CFD #1

Eligible Facilities

1. Transportation Improvements
2. Water System Improvements
3. Wastewater System Improvements
4. Recycled Water System Improvements
5. Drainage System Improvements
6. Solid Waste Improvements
7. Park Improvements
8. Open Space Improvements
9. Utilities
10. Soft Costs: planning, permitting, and design
11. Environmental Mitigation Property

EXHIBIT "D"
FIDDYMENT CFD #1
AUTHORIZED FACILITIES & ESTIMATED COSTS

PHASE I
CONSTRUCTION COST SUMMARY

ITEM DESCRIPTION		COSTS & REIMBURSEMENT AMOUNTS	
ITEM #	ITEM DESCRIPTION	ESTIMATED BUDGET	ACTUAL COST TO DATE
FIDDYMENT/BLUE OAKS			
1	Earthwork	\$ 1,315,231.18	\$ 2,277,374.15
2	Retaining Walls with Railing & Conspan	\$ 894,995.00	\$ 203,298.00
3	Sewer / Storm / Water / Recycled Water	\$ 1,737,368.00	\$ 2,224,623.70
4	Concrete	\$ 719,588.00	\$ 573,886.29
5	Streetwork	\$ 2,280,892.00	\$ 765,800.98
6	Traffic Signals, Joint Trench & Electric	\$ 3,250,695.00	\$ 2,450,805.62
7	Contingency (@ 15%)	\$ 1,529,815.38	\$ 1,274,368.31
CONSTRUCTION COSTS TOTAL		\$ 11,728,584.56	\$ 9,770,157.04
BLUE OAKS WIDENING			
8	Earthwork	\$ 316,890.00	\$ 664,691.43
9	Retaining Walls with Railing-conspan	\$ 609,902.00	\$ 375,622.45
10	Sewer / Storm / Water / Recycled	\$ 104,575.00	\$ 101,202.30
11	Concrete	\$ 190,575.00	\$ 442,425.42
12	Streetwork	\$ 646,376.00	\$ -
13	Traffic Signals & Joint Trench	\$ 293,438.00	\$ 104,633.86
14	Contingency (@ 15%)	\$ 324,263.40	\$ 253,286.32
CONSTRUCTION COSTS TOTAL		\$ 2,486,019.40	\$ 1,941,861.78
HAYDEN/BOB DOYLE			
15	Earthwork	\$ 552,949.00	\$ 1,683,320.76
16	Retaining Walls with Railing & Conspan	\$ 1,310,797.05	\$ 1,477,211.53
17	Sewer / Storm / Water	\$ 2,859,503.00	\$ 4,129,762.90
18	Concrete	\$ 1,372,620.95	\$ 501,289.40
19	Streetwork	\$ 2,147,459.85	\$ 608,188.13
20	Traffic Signals, Joint Trench, & Electric	\$ 3,039,237.00	\$ 2,269,934.85
21	Contingency (@ 15%)	\$ 1,692,385.03	\$ 1,600,456.13
CONSTRUCTION COSTS TOTAL		\$ 12,974,951.88	\$ 12,270,163.70
Traffic Signal Interconnect			
22	Traffic Signal, Joint Trench & Utility	\$ 169,542.20	\$ 358,913.06
23	Contingency (@ 15%)	\$ 25,431.33	\$ -
CONSTRUCTION COSTS TOTAL		\$ 194,973.53	\$ 358,913.06
SOFT COSTS			
24	Design, Soils & Civil Engineering	\$ 3,594,654.00	\$ 2,675,414.72
25	Permits & Fees	\$ 779,895.00	\$ 481,680.60
26	Mitigation Land	\$ 3,100,000.00	\$ 3,100,000.00
27	City of Roseville - Roseville Electric Fee	\$ -	\$ -
28	Traffic Consultant - Interconnect	\$ 17,500.00	\$ 15,000.00
SOFT COSTS TOTAL		\$ 8,802,674.83	\$ 6,737,930.82
Project Total		\$ 35,992,230.66	\$ 30,720,113.34
Management Fees 4%		\$ 1,439,689.23	\$ 830,105.62
Draw Total		\$ 37,431,919.89	\$ 31,550,218.96

**PHASE II
CONSTRUCTION COST SUMMARY**

ITEM DESCRIPTION		COSTS & REIMBURSEMENT AMOUNTS	
ITEM #	ITEM DESCRIPTION	ESTIMATED BUDGET	ACTUAL COST TO DATE
Fiddymment / Hayden			
1	Earthwork	\$ 330,000.00	\$ -
2	Sanitary Sewer	\$ 603,695.00	\$ -
3	Storm Drain	\$ 2,139,010.00	\$ -
4	Water	\$ 965,085.00	\$ -
5	Reclaimed Water	\$ 570,900.00	\$ -
6	Streetwork	\$ 3,777,849.10	\$ -
7	Concrete	\$ 1,169,801.00	\$ -
8	Joint Trench/Streetlights/Traffic Signal	\$ 3,038,400.00	\$ -
9	Contingency (@ 15%)	\$ 1,257,980.87	
CONSTRUCTION COSTS TOTAL		\$ 13,852,720.97	\$ -
Roads F25, 26, 32, & 33			
10	Earthwork	\$ 213,250.00	\$ -
11	Sanitary Sewer	\$ 190,000.00	\$ -
12	Storm Drain	\$ 213,400.00	\$ -
13	Water	\$ 174,800.00	\$ -
14	Reclaimed Water	\$ 188,200.00	\$ -
15	Streetwork	\$ 581,600.00	\$ -
16	Concrete	\$ 110,950.00	\$ -
17	Joint Trench/Streetlights/Traffic Signal	\$ 573,000.00	\$ -
18	Contingency (@ 15%)	\$ 234,187.50	
CONSTRUCTION COSTS TOTAL		\$ 2,479,387.50	\$ -
Fiddymment Bridge			
19	Bridge work	\$ 5,024,153.00	\$ 1,620,817.70
20	Contingency (@ 15%)	\$ 753,622.95	
CONSTRUCTION COSTS TOTAL		\$ 5,777,775.95	\$ 1,620,817.70
Offsite Sewer			
21	Grading/Demo	\$ 460,000.00	\$ -
22	Street Improvements	\$ 240,000.00	\$ -
23	Sewer	\$ 1,701,325.00	\$ -
24	Contingency (@ 15%)	\$ 360,198.75	
CONSTRUCTION COSTS TOTAL		\$ 2,761,523.75	\$ -

	Fiddymnt/Orchard View/Street A		
25	Orchard View Rd. - 1010	\$ 810,888.85	\$ 359,455.30
26	Street A - 1011	\$ 1,607,429.70	\$ 467,975.00
27	Fiddymnt Street Work - 1012	\$ 562,130.10	\$ 1,500.00
28	Fiddymnt Storm Drain - 1013	\$ 118,870.00	\$ 56,701.00
29	Fiddymnt Domestic Water - 1014	\$ 169,825.00	\$ 139,725.00
30	Fiddymnt Reclaimed Water - 1015	\$ 53,462.00	\$ 37,179.00
31	Fiddymnt Concrete - 1016	\$ 180,541.00	\$ 11,400.00
32	Contingency (@ 15%)	\$ 498,390.85	
	CONSTRUCTION COSTS TOTAL	\$ 4,001,537.50	\$ 1,073,935.30
	Cost Shares - PL Roseville		
33	Water Tank Off Tract	\$ 3,061,542.00	\$ 1,371,652.16
34	Phillip Rd Off Tract	\$ 2,782,007.00	\$ 2,536,969.98
35	Contingency (@ 15%)	\$ 876,532.35	
	CONSTRUCTION COSTS TOTAL	\$ 6,720,081.35	\$ 3,908,622.14
	SOFT COSTS		
36	Consultants	\$ 403,680.00	\$ 52,161.95
37	Engineering	\$ 2,567,322.50	\$ 328,858.44
38	City of Roseville - Permits & Fees	\$ -	\$ 565,657.19
39	City of Roseville - Roseville Electric Fee	\$ -	\$ -
	Mitigation		
40	Yankee Slough	\$ 1,309,323.00	\$ -
41	Reason Farm	\$ 479,323.00	\$ -
42	Hoffman/JBL	\$ 2,050,815.00	\$ -
	SOFT COSTS TOTAL	\$ 6,810,463.50	\$ 946,677.58
	Project Total	\$ 42,403,490.51	\$ 3,641,430.58
	Management Fees 4%	\$ 1,696,139.62	\$ 302,002.11
	Draw Total	\$ 44,099,630.13	\$ 3,943,432.69

**PHASE III
CONSTRUCTION COST SUMMARY**

Phase III On-site Improvements(grading, sewer, strom drain, water, streetwork,Bridges, concrete, joint trench, signals)	
Hayden PKWY/Blue Oaks-phase III	35,268,249
	<u>35,268,249</u>

Phase III On-site Improvements(grading, sewer, strom drain, water, streetwork,bridge, concrete, joint trench, signals)	
Off-site Sewer	3,176,590
Off-site Blue Oaks to Phillips Rd-West-phase III	2,793,117
	<u>5,969,707</u>

Soft Costs	
Plan Check & inspection	5,179,769
Engineering/Professional services	9,289,202
	<u>14,468,971</u>

TOTAL PHASE III COSTS 55,706,927

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 06- 391

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS
FOR AND ON BEHALF OF THE CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL
AGENT AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL
STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING
OTHER RELATED DOCUMENTS AND ACTIONS

RESOLVED, by the City Council of the City of Roseville (the "City") that:

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to form the Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) (the "District"), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes for the purpose of providing moneys for the construction and acquisition of improvements within the District; and

WHEREAS, the City Council, as legislative body of the District, authorized the issuance of special tax bonds of the City for the District in the maximum principal amount of not to exceed \$80,000,000 (the "Authorization") and caused bonds to be issued for the District in the original principal amount of \$37,350,000 on August 4, 2005 designated City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2005 (the "2005 Bonds"); and

WHEREAS, the City Council, as legislative body of the District, desires to authorize a second series of special tax bonds for the District pursuant to the Authorization, in the maximum principal amount of not to exceed \$42,650,000 designated City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2006 (the "2006 Bonds");

WHEREAS, there has been submitted to the City Council a First Supplement to Fiscal Agent Agreement (the "First Supplement") to supplement that Fiscal Agent Agreement dated as of August 1, 2005 (the "Original Fiscal Agent Agreement") and to provide for the issuance of the 2006 Bonds of the City for the District, and the City Council, with the aid of City staff, has reviewed the First Supplement and found it to be in proper order, and now desires to approve the First Supplement and the issuance of the 2006 Bonds; and

WHEREAS, the City proposes to sell the Bonds to Stone & Youngberg LLC and Piper Jaffray & Co. (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the City and the Underwriter, and the Underwriter proposes to offer the Bonds to the investing public by means of a Preliminary Official Statement (the "Preliminary Official Statement"); and

WHEREAS, it appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

WHEREAS, it appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2006 Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

Section 1. Pursuant to the Act, this Resolution, the Original Fiscal Agent Agreement and the First Supplement, special tax bonds of the City for the District designated as "City of Roseville Fiddymont Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2006" in an aggregate principal amount not to exceed \$42,650,000 are hereby authorized to be issued. The 2006 Bonds shall be executed in the form set forth in and otherwise as provided in the First Supplement and shall be secured on a parity with the 2005 Bonds.

In furtherance of the issuance of the 2006 Bonds, the City Council hereby makes the following findings and determinations: (i) it is prudent in the management and development of the City and the District to issue the 2006 Bonds for the purpose of providing moneys for the construction and acquisition of improvements within the District, (ii) the 2006 Bonds and the District are in compliance with the City's Statement of Policies and Procedures for Special Assessment and Community Facilities District Debt Financing Programs, and (iii) the value of the real property within the District subject to the special tax to pay debt service on the 2005 Bonds and the 2006 Bonds, based upon the findings of an independent appraiser hired by the City for the purpose of determining such value, is at least three times the combined principal amount of the 2005 Bonds and the proposed 2006 Bonds to be secured by a special tax levied pursuant to the Act on property within the District.

The City Council hereby approves the First Supplement in the form presented to the City Council at this meeting. The Administrative Services Director/Treasurer, the City Manager or such other person or persons as either of them may designate (collectively, the "Authorized Officers") are each hereby authorized and directed to execute the First Supplement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel. The proceeds of the 2006 Bonds shall

be applied by the City for the purposes and in the amounts as set forth in the Original Fiscal Agent Agreement and the First Supplement. The City Council hereby authorizes the delivery and performance by the City of the First Supplement.

Section 2. The City Council hereby approves the Bond Purchase Agreement between the City and the Underwriter in the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to accept the offer of the Underwriter to purchase the 2006 Bonds contained in the Bond Purchase Agreement and to execute the Bond Purchase Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel (provided that no additions or changes shall authorize an aggregate principal amount of 2006 Bonds in excess of \$42,650,000 or result in an underwriter's discount in excess of one and one-half percent (1.5%), or an average true interest rate on the 2006 Bonds in excess of 6.95% per annum. The City Council hereby authorizes the delivery and performance by the City of the Bond Purchase Agreement.

The City Council hereby finds and determines that the sale of the 2006 Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

Section 3. The City Council hereby approves the Preliminary Official Statement in the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to execute a final Official Statement (the "Official Statement"), for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel. The City Council hereby authorizes and directs the Underwriter to distribute copies of said Preliminary Official Statement to persons who may be interested in the purchase of the 2006 Bonds and to deliver copies of the Official Statement to all actual purchasers of the 2006 Bonds. The City Council hereby authorizes the delivery by the City of the Official Statement.

The Authorized Officers are each hereby authorized and directed to execute a certificate or certificates to the effect that the Official Statement and the Preliminary Official Statement were deemed "final" as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and the Authorized Officers are each hereby authorized to so deem such statements final.

Section 4. The City Council hereby approves the Continuing Disclosure Agreement (the "Disclosure Agreement"), between the City and the Dissemination Agent named therein, in the form presented to the City Council at this meeting (as an exhibit to the Preliminary Official Statement). The Authorized Officers are each hereby authorized and directed to execute the Disclosure Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Disclosure Agreement.

Section 5. The City hereby covenants, for the benefit of the Bondowners, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the 2006 Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Original Fiscal Agent Agreement.

Section 6. The 2006 Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the 2006 Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the 2006 Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by one or more of the Authorized Officers, which instructions such officers are each hereby authorized, for and in the name and on behalf of the City, to execute and deliver to the Fiscal Agent. Such instructions shall provide for the delivery of the 2006 Bonds to the Underwriter or its designee in accordance with the Bond Purchase Agreement, upon payment of the purchase price therefor.

Section 7. The law firm of Jones Hall, A Professional Law Corporation is hereby designated as Bond Counsel to the City for the 2006 Bonds. The Authorized Officers are each hereby authorized and directed to execute an agreement with said firm for its services in connection with the 2006 Bonds, provided that the compensation payable to said firm is payable solely from the proceeds, and wholly contingent upon the issuance, of the 2006 Bonds.

Section 8. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the 2006 Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are each hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2006 Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. Any document herein approved and executed and delivered by any one of the Authorized Officers shall be a valid and binding agreement of the City.

Section 9. This Resolution shall take effect from and after its adoption.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 19th day of July, 2006, by the following vote of the City Council:

AYES:	COUNCILMEMBERS	Gray, Roccucci, Rockholm, Garbolino
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	Allard
ABSTAIN:	COUNCILMEMBERS	None



Mayor

ATTEST:



City Clerk of the City of Roseville

Handwritten notes or initials in the bottom right corner.