

**RECORDING REQUESTED BY AND
WHEN RECORDED PLEASE RETURN TO:**

City Clerk Department
City of Roseville
311 Vernon Street, Suite 208
Roseville, CA 95678
Telephone: (916) 774-5263

Dave Fama

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF SPECIAL TAX LIEN

CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES)
COUNTY OF PLACER, STATE OF CALIFORNIA

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53324 of the Government Code, the undersigned, City Clerk of the City of Roseville, hereby gives notice that a lien to secure payment of a special tax which the City Council of the City of Roseville, County of Placer, State of California is authorized to levy is hereby imposed. The special tax secured by this lien is authorized to be levied for the purpose of: paying for the facilities or services described in **Exhibit A** attached hereto including paying principal and interest on bonds, the proceeds of which are being used to finance those facilities, and the incidental expenses related thereto.

The special tax is authorized to be levied within Fiddymment Ranch Community Facilities District No. 1 (Public Facilities), City of Roseville, County of Placer, State of California, which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law, or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is shown on **Exhibit B** attached hereto. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in Exhibit B attached hereto.

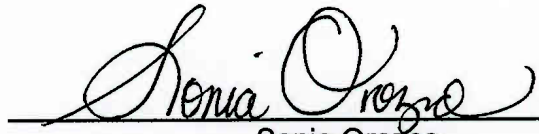
Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within Fiddymment Ranch Community Facilities District No. 1 (Public Facilities), City of Roseville, in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's parcel numbers of the real property included within this community facilities district and not exempt from the special tax are set forth on **Exhibit C** hereto.

Reference is made to the Boundary Map of the community facilities district recorded on August 18, 2004 in the Office of the County Recorder of the County of Placer as Document No. 2004-333 and in Book 3, at Page 39 of the Maps of Assessment and Community Facilities District, which map is now the final boundary map of the community facilities district, and a notice of correction subsequently recorded which corrected the name of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of Finance, City of Roseville, 311 Vernon Street, Roseville, CA 95678.

Dated: September 15, 2004



Sonia Orozco,
City Clerk of the City of Roseville

EXHIBIT A - CFD Improvements
EXHIBIT B - Rate and Method of Apportionment
EXHIBIT C - Property Owners and Parcel Numbers

*The foregoing instrument is a correct copy
of the original on file in this office.*

ATTEST: _____
City Clerk of the City of Roseville, California



DEPUTY CLERK

EXHIBIT A

Fiddymment Ranch
Community Facilities District (CFD) No. 1
City of Roseville, California

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 authorizes the creation of a Community Facilities District (CFD) to finance the construction of community infrastructure. The following facilities and improvements, described in the WRSP Public Facilities Financing Plan (Financing Plan) and designed to serve the Fiddymment Ranch project area located in the West Roseville Specific Plan (Specific Plan), are eligible for funding through this CFD.

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown in the Specific Plan and on **Attachment 1**:

- Fiddymment Road;
- Blue Oaks Boulevard;
- Hayden Parkway;
- Bob Doyle Drive;
- Phillip Road;
- Other public roadway improvements designed to meet the needs of the project.

Eligible roadway improvements include, but are not limited to, these: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and under grounding of existing overhead utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto.

Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

POTABLE AND NON-POTABLE WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development in the Specific Plan. These facilities include, but are not limited to potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Water rights acquisition, purchase of water supply, and transfer fees are also authorized improvements.

DRAINAGE SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone drainage and storm drainage improvements designed to meet the needs of development within the Specific Plan. These facilities include, but are not limited to: mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping and irrigation; access gates, and fencing; and striping and signage.

WASTEWATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone wastewater facilities designed to meet the needs of development within the Specific Plan. These facilities include, but are not limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in the Specific Plan. Eligible improvements also include the Solid Waste Recycling Center. Facility improvements include, but are not limited to, these: site

clearing, grading and paving; curbs and gutters; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, fencing, and recycle containers and bins; and striping and signage.

PARK AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to, these: bike trails; bike/pedestrian bridges; storm drain crossings; wetland mitigation; tree mitigation; off-site hawk mitigation, agricultural mitigation, and/or wetland mitigation property acquisition; endowment payments for open space management, landscaping and irrigation; access gates and fencing; and related open space improvements.

UTILITIES

Authorized facilities include any and all utility improvements designed to meet the needs of development in the Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

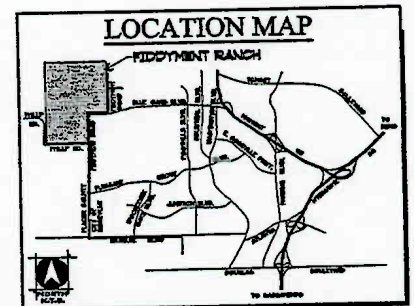
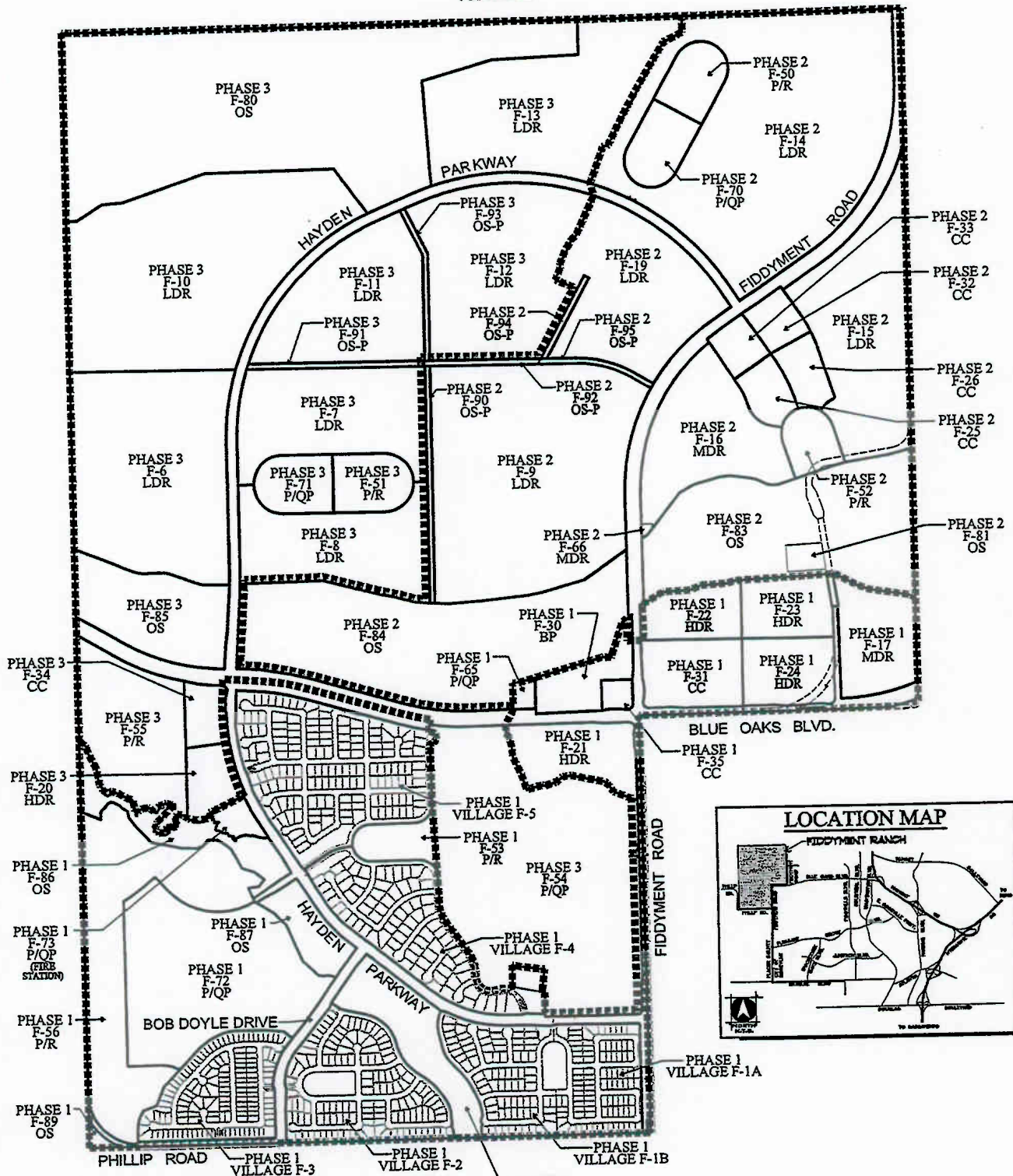
In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982 include, but are not limited to, these: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching operation and maintenance [O&M] Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for authorized CFD facilities; project management, construction staking; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the public facilities and cost associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

ATTACHMENT 1

CITY OF ROSEVILLE

FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

JUNE 2004



WOOD ROGERS
ENGINEERING • PLANNING • MAPPING • SURVEYING
3301 O STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

EXHIBIT B

CITY OF ROSEVILLE FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT No. 1 (PUBLIC FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"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 or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

“Affordable Housing Director” means, at any point in time, the person within the City who serves as head of the department that is in charge of the City’s affordable housing program.

“Affordable Unit” means a Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City’s Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

“Affordable Unit Adjustment” means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

“Annual Tax Escalation Factor” means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

“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.

“Assigned Maximum Special Tax” means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

“Base Year” means Fiscal Year 2004-05.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

“Buildable Lot” means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“CFD Maximum Special Tax Revenue” means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels for which a Final Map was recorded prior to May 1 of the preceding Fiscal Year
- for Single Family Attached Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 83 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units

within CFD No. 1 that exceeds 83 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 83rd Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this RMA.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides some or all of the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“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 and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

“Original Parcel” means an Assessor’s Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale Units, including such 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 in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

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

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. 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. 1 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.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

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

“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

“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.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

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 within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, and (iv) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 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 Land Use 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 Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor's Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-115-001	\$582,400
017-115-061	\$388,500
017-115-062	\$277,250
017-115-063	\$277,250
017-100-009	\$1,604,200
017-100-010	\$373,100
017-100-034	\$759,200
017-100-035	\$70,000
017-100-036	\$165,000
017-100-040	\$114,400
<i>* Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.</i>	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2

of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

- Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.
- Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.
- Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Buildable Lots will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

b. **Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.
- Step 2:** Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.
- Step 3:** Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot.
- Step 2:** Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.
- Step 3:** Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.
- Step 4:** Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. Final Map Creating Buildable Lots in a Portion of the Large Lot

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot.
-

- Step 2:** Determine the number of Buildable Lots created within the Final Map area.
- Step 3:** Multiply the Buildable Lots from Step 2 by the “Base Tax Rate per Unit” shown in Attachment 2 for the Large Lot that has been subdivided by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.
- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Special Tax*

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1:** Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the "Base Tax Rate" identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
 - Step 2:** Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
-

Step 3: Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

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;

Step 2: If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 3: If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 4: If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Fiddymment Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 5: If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Fiddymment Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 6: If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Fiddymment Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 7: If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax 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 H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or 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 2050-51. 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.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“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 \$56,000,000 in 2004 dollars, which shall increase on January 1, 2005, 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 City 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. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. Full Prepayment

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 City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City 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
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the 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 City.
 - Step 2.** Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
 - 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 City 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*").

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

ATTACHMENT 1

**CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

IDENTIFICATION OF LARGE LOTS

JUNE 2004



WOOD RODGERS
ENGINEERING • PLANNING • MAPPING • SURVEYING
3301 O STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

ATTACHMENT 2

CITY OF ROSEVILLE FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE I					
F-1	LDR	41.4	176 units	\$1,300	\$228,800
F-2	LDR	32.8	127 units	\$1,300	\$165,100
F-3	LDR	23.5	135 units	\$1,300	\$175,500
F-4	LDR	35.7	77 units	\$1,300	\$100,100
F-5	LDR	51.5	157 units	\$1,300	\$204,100
F-17	MDR	17.3	135 units	\$1,000	\$135,000
F-21	HDR	16.8	219 units	\$500	\$109,500
F-22	HDR	9.7	82 units	\$500	\$52,000
	HDR		44 units	\$250	(combined)
	(affordable)				
F-23	HDR	12.1	64 units	\$500	\$56,000
	HDR		96 units	\$250	(combined)
	(affordable)				
F-24	HDR	12.7	114 units	\$500	\$78,500
	HDR		86 units	\$250	(combined)
	(affordable)				
F-30	BP	9.1	N/A	\$5,000	\$45,500
F-31	CC	13.4	N/A	\$5,000	\$67,000
F-35	CC	2.0	N/A	\$5,000	\$10,000
PHASE II					
F-9	LDR	78.6	287 units	\$1,300	\$373,100
F-14	LDR	99.5	290 units	\$1,300	\$377,000
F-15	LDR	45.9	130 units	\$1,300	\$169,000
F-16	MDR	37.0	259 units	\$1,000	\$259,000
F-19	LDR	40.9	158 units	\$1,300	\$205,400
F-25	HDR	5.5	70 units	\$500	\$40,000
	HDR		20 units	\$250	(combined)
	(affordable)				
F-26	HDR	5.7	70 units	\$500	\$40,000
	HDR		20 units	\$250	(combined)
	(affordable)				
F-32	CC	4.9	N/A	\$5,000	\$24,500
F-33	CC	4.4	N/A	\$5,000	\$22,000

Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE III					
F-6	LDR	67.8	197 units	\$1,300	\$256,100
F-7	LDR	46.4	152 units	\$1,300	\$197,600
F-8	LDR	25.4	78 units	\$1,300	\$101,400
F-10	LDR	88.5	270 units	\$1,300	\$351,000
F-11	LDR	57.4	180 units	\$1,300	\$234,000
F-12	LDR	34.3	117 units	\$1,300	\$152,100
F-13	LDR	66.5	240 units	\$1,300	\$312,000
F-20	HDR	6.9	52 units	\$500	\$43,000
	HDR (affordable)		68 units	\$250	(combined)
F-34	CC	5.4	N/A	\$5,000	\$27,000
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,611,300
Adjustment for Expected Affordable Units (83 Expected MDR Units)					<u>(\$41,500)</u>
CFD Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,569,800

1. See Attachment 1 for the geographic area associated with each Large Lot.
2. LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
CC = Community Commercial
BP = Business Park
3. Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

Source of Data: Wood Rodgers, June 2004

EXHIBIT C
Property Owners and Assessor Parcel Numbers

Owner Name	Assessor's Parcel Numbers
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0115-061
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0115-062
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0115-063
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0115-001
CECOR L.P., a California limited partnership	017-0100-040
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0100-034
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0100-035
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0100-010
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0100-009
Roseville Fiddymment Land Venture, LLC, a California limited liability company	017-0100-036

CITY COUNCIL OF THE CITY OF ROSEVILLE

ORDINANCE NO. 4127

**ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ROSEVILLE LEVYING A SPECIAL TAX
WITHIN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-333 "Resolution of Intention of the City Council of the City of Roseville to Form Community Facilities District and Levy a Special Tax in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District " (the "Resolution of Intention") with respect to Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), to finance the acquisition of certain facilities (the "Facilities"); and

WHEREAS, notice was published as required by the Act relative to the intention of the Council to form the CFD and to provide for the Facilities; and

WHEREAS, the Council has held a noticed public hearing as required by the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to finance the costs of the Facilities; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of said special taxes were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held; and

WHEREAS, subsequent to the hearing, this City Council adopted resolutions entitled "Resolution of Formation of Community Facilities District and to Levy a Special Tax in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Formation"), "Resolution Deeming it Necessary to Incur Bonded Indebtedness in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities)" (the "Resolution Determining Necessity") and "Resolution Calling Special Election in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities)" which resolutions established the CFD, authorized the levy of a special tax with the CFD, determined the necessity to incur bonded indebtedness in the CFD and called an election within the CFD on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, on September 15, 2004, a special election was held within the CFD at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE DOES HEREBY ORDAIN as follows:

Section 1. By the passage of this Ordinance the Council hereby authorizes and levies special taxes within the CFD pursuant to the Act, at the rate and in accordance with the formula set forth in the Resolution of Formation, which Resolution is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2004-2005 and in each fiscal year thereafter until payment in full of any bonds issued by the City for the CFD (the "Bonds"), all as contemplated by the Resolution of Formation and the Resolution Determining Necessity.

Section 2. The Director of Finance of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal of and interest on the Bonds, the replenishment of the reserve fund for the Bonds, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected either by direct billing of the property owner or in the same manner as ordinary *ad valorem* taxes are collected and, in either case, shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolutions of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

Section 6. If for any reason any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected.

Section 7. Upon final adoption by the City Council, this ordinance shall be published in accordance with applicable provisions of the City Charter, by either:

publishing the entire ordinance once in the *Roseville Press Tribune*, a newspaper of general circulation, published in the City of Roseville, within fourteen (14) days after its passage and adoption, either separately or as part of any published proceedings of the City Council or

posting the entire ordinance in at least three (3) public places in the City.

Section 8. This ordinance shall go into effect third (30) days after the date of its passage and adoption.

* * * * *

THE FOREGOING ORDINANCE was first read at a regular meeting of the City Council of the City of Roseville on the 15th day of September, 2004 and was passed and adopted at a regular meeting of the City Council of the City of Roseville on the 6th day of October, 2004.

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



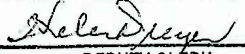
Mayor

Attest:



City Clerk

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK

4427
1/23

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 444

**RESOLUTION APPROVING FUNDING, CONSTRUCTION
AND ACQUISITION AGREEMENT IN CONNECTION WITH
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-333 "RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" (the "Resolution of Intention") with respect to Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the facilities to be provided as stated in the Resolution of Intention are set forth in an exhibit attached thereto and hereby made a part hereof; and

WHEREAS, subsequent to formation of the CFD pursuant to the Act, the City desires to acquire the facilities in accordance with the provisions of the Act and to enter into an agreement for such purpose.

NOW THEREFORE, the City Council of the City of Roseville (the "City") resolves:

1. As a part of the proceedings for the CFD, this City Council hereby approves a Funding, Construction and Acquisition Agreement (the "Agreement") by and between the City of Roseville and Roseville Fiddymment, the form of which is attached hereto. The purpose of the Agreement is to provide for the establishment of the CFD, the acquisition of certain public facilities and payment of certain incidental expenses relating thereto, all of benefiting the property in the CFD, the issuance and sale of the bonds for the CFD financing, including incidental expenses, and to provide the terms of any reimbursement to owners of land within the CFD.

2. The City Council hereby approves the Agreement in the form presented to the City Council at this meeting. The Mayor, the Director of Finance, the City Manager, the City Attorney or such other person or persons as any one of them may designate (collectively, the "Authorized Officers"), are each hereby authorized and directed to execute the Agreement and the City Clerk is hereby authorized to attest its execution, for and in the name and on behalf of the City and the CFD, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer, upon consultation with the City Attorney.

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 15th day of September, 2004, by the following vote of the City Council:

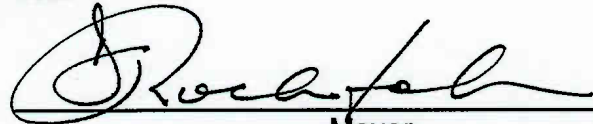
AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

Allard, Roccucci, Gray, Garbolino, Rockholm

None

None

None



Mayor

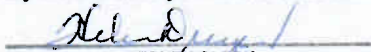
ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK

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FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
DATED AS OF SEPTEMBER 2004

Executed by the

CITY OF ROSEVILLE

and by

ROSEVILLE FIDDYMENT LAND VENTURE, LLC

FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1

CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

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**FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
FIDDYMMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1**

THIS AGREEMENT is entered into as of the ____ day of September, 2004, by and between the CITY OF ROSEVILLE, a California chartered municipal corporation (the "City"), and Roseville / Fiddymment Land Venture, LLC, a Delaware limited liability company (the "Owner").

RECITALS

(A) Owner owns the real property described in Exhibit "A" attached hereto, and shown on the map attached hereto as Exhibit "B" (the "Property"). The Property is located within the corporate limits of the City.

(B) Owner proposes to make improvements to the Property (the development of the Property is defined herein as the "Project") as required by the Project Approvals (as defined below). The City Council of the City approved the "West Roseville Specific Plan" for the development of the Property (and properties owned by others) on February 4, 2004 (the "Specific Plan"). The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the Property. On February 23, 2004, the City Council of the City adopted Ordinance No. 4048 approving a development agreement between the City and Owner pursuant to the provisions of Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 of Title 7 of the California Government Code with respect to the permitted uses of the Property, and said agreement has been entered into and is dated February 18, 2004 (the "Development Agreement"). The Specific Plan, Development Agreement, including conditions of approval and other existing and subsequent approvals granted by City and agreements between Owner and City in implementation of the Project, as the same may be amended from time to time, are herein collectively referred to as the "Project Approvals."

(C) Owner has requested that the City commence and complete proceedings for the establishment of a community facilities district pursuant to the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" ("the Act"), over and including the Property for the purpose of paying for certain public facilities which are necessary to the development of the Property and the provision of municipal services to the Property within the proposed community facilities district, including the issuance of special tax bonds. Said community facilities district is to be known as "Fiddymment Ranch Community Facilities District No. 1, of the City of Roseville, County of Placer, State of California" (the "District").

(D) Section 53313.5 of the California Government Code provides that a community facilities district may finance the purchase of facilities completed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been constructed as if they had been constructed under the direction and supervision, or under the authority of the local agency whose governing body is conducting proceedings for the establishment of the district.

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(E) The purpose of this Agreement is to provide for the establishment of the District, the acquisition of such public facilities, the issuance and sale of the bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to the Owner.

AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

Section 1. Establishment of District. The City shall initiate and prosecute proceedings pursuant to the Act for the establishment of the District. Such proceedings shall include but not be limited to, elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the question of the issuance of bonds for the District to finance the construction or acquisition of the aforementioned public facilities, (ii) the issue of annual levy of special taxes on all taxable property within the District for the payment of principal and interest on the bonds of the District and the annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, and (iii) the question of the establishment of an appropriations limit for the District. Owner shall cooperate with City in its conduct of the proceedings for and the establishment of the District.

Section 2. Sale of Bonds. Upon the completion of the proceedings for the establishment of the District as provided in Section 1 hereof, the City shall proceed as hereinafter provided, with the sale of bonds for the District in an aggregate principal amount not to exceed \$80,000,000.00 (the "Bonds") for the purpose of raising an amount to pay for the design and construction or acquisition of the aforementioned public facilities. Said authorized public facilities (collectively, the "Public Facilities" and each, a "Public Facility") and the estimated costs thereof are generally described in Exhibit "E" attached hereto. The timing of the issuance and sale of the Bonds, aggregate principal amount thereof, and the terms and conditions upon which they shall be sold shall be determined by the City. If bonds are not sold within six (6) months of this Agreement neither the City nor the Owner shall have any obligation hereunder, and this Agreement shall terminate without the requirement for any further notice or action by any party.

Section 3. Tax Requirements. The City shall take all actions which, in the opinion of City's bond counsel, are necessary in order to avoid classification of the bonds as "arbitrage bonds" or the loss of tax exemption for the bonds for any other reason.

Section 4. Amounts to be Included in Bonds. The aggregate principal amount of the Bonds shall include an amount needed to fund a reserve fund for the payment of principal of and interest of the Bonds as is determined by the City to be necessary and appropriate, capitalized interest on the Bonds for such period as the City shall determine is appropriate, the amount of the discount of the underwriter who purchases the Bonds, and other expenses incurred by the City in connection with the issuance and sale of the Bonds, including bond counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for the Bonds,

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other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the California Government Code as the City determines are necessary and appropriate. The City may also include within the aggregate principal amount of the Bonds an amount determined by the City to equitably reimburse Owner for costs and expenses incurred by it which are related to the establishment of the District and the design and construction of the Public Facilities; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Owner and the decision of the City shall be final. In no event shall Owner be reimbursed from Bond proceeds for (i) in-house administrative overhead (except that Owner shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Owner on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Public Facilities; and (iii) any other costs and expenses incurred by Owner which are not authorized by the Act.

Section 5. Design. Public Facilities to be acquired by the City shall be designed in conformance with all applicable City standards, requirements and the Development Agreement. Upon completion of the design of each such Public Facility to the satisfaction of the City and when Owner has paid to the City all applicable plan checking and other fees, the City shall notify Owner that the design of the Public Facility is completed and acceptable to the City. It shall be the responsibility of Owner, not the City, to determine the requirements for design and construction of Public Facilities to be acquired by or dedicated to other public agencies, and City's acceptance of Owner's design shall not relieve Owner of this responsibility.

Owner has been authorized by the City to commence the design of the Public Facilities, and the City has approved Owner's retention of (i) Wood Rogers, civil engineers, to design the Project's streets, traffic, signals, water, sewer and storm drainage facilities, (ii) GA Krause & Associates, utility engineers, to design the Project joint trench utilities, (iii) Wallace Kuhl & Associates, soils engineers, as the Project soils engineer, and (iv) The Guzzardo Partnership, landscape architects, to plan and design the street and open space landscaping. Owner may, after obtaining approval of the City, retain the services of additional consultants to design other portions of the Public Facilities, including but not limited to structural engineers to design the Project bridges.

Owner shall be reimbursed out of the proceeds of the sale of the Bonds for Owner's expenses incurred in designing those Public Facilities set forth in Exhibit "E", attached hereto, including all applicable plan checking and other fees paid by Owner as provided above in this section, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from available bond proceeds of the District and from no other source. Reimbursement for design and plan check services shall be made in one or more lump sum payments only after City has received and approved all invoices for such services associated with any particular Public Facility.

Notwithstanding the preceding provisions of this Section, if the City determines that Owner is not proceeding with the design of the Public Facilities on a reasonable schedule which will enable the City to insure that construction of all of the Public Facilities can be completed within the time specified in Section 6 hereof, the City may take over the design of the Public Facilities

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by giving Owner written notice thereof. If, after receiving such a written notification, Owner does not satisfy the City that it is proceeding expeditiously with the design of the Public Facilities, within 30 days from the date of receipt thereof, Owner shall surrender to the City all plans and specifications which have then been completed or which are in progress.

If the City takes over the design of the Public Facilities as provided above, the City shall reimburse Owner from the proceeds of the sale of the Bonds a reasonable amount, reasonably determined by the City, for the expenses incurred by Owner in connection with the design of the Public Facilities which have not previously been reimbursed, provided there are sufficient funds remaining after payment for the Public Facilities to do so.

Section 6. Construction for Acquisition. The City shall only be required to acquire from Owner those public facilities which will ultimately be owned by the City. Owner shall proceed with the construction of the Public Facilities in accordance with the approved plans and specifications (either prior to or following the formation and confirmation of the authority of the District).

For construction of Public Facilities under this Section, Owner shall comply with all of the following requirements to insure that the Public Facilities will be constructed as if they had been constructed under the direction and supervision or under the authority of the City according to all applicable law, including but not limited to such requirements as are set forth in Roseville Municipal Code 4.12.095:

(a) The plans and specifications, the bidding and contract award procedures, and the bidding and contract documents shall be approved by the City Engineer for conformance with City Codes and policy.

(b) Based on qualifications submitted by the contractors, the Owner in consultation with the City Engineer shall select a list of qualified bidders for each element of work. If the Owner determines that the nature of the particular element of the construction does not require a pre-qualified bid list, the Owner may allow a particular element of the work to be publicly bid without a pre-qualified bid list.

(c) Owner shall receive and open bids and report the results to the City Engineer. On elements of work with pre-qualified bid list, bids will be only be accepted from pre-qualified bidders. Any value engineering proposals shall be submitted to the City Engineer for approval. The City Engineer may, after consulting with Owner, require changes to the work. Owner shall promptly order such changes. The City Engineer shall be consulted with respect to any proposed change to the originally approved design. The contract or contracts for the construction of the Public Facilities shall be awarded to the responsible bidder(s) submitting the lowest responsible bids(s) for the construction of the Public Facilities, as determined by the Owner.

(d) Owner is required and the specifications and bid and contract documents shall require all contractors and subcontractors to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code, Government Code and Public Contracts Code relating to public works projects of cities and as required by the procedures and standards of the City with respect to the construction of its public works projects.

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(e) All contractors and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Public Facilities which they will construct in conformance with the City's standard procedures and requirements.

Owner shall cause the Public Facilities to be constructed in an expeditious manner so that construction of all such Public Facilities shall be completed by September 1, 2007, or such other date as may be required by the Development Agreement or as the City and Owner may agree to provide, however, that the construction of the Public Facilities shall proceed and be completed so that the proceeds of the Bonds may be expended for the construction acquisition of the Public Facilities within three (3) years from the date of their issuance.

Section 7. Payment; Cost Overruns; Shortfalls. The City and Owner agree that it is in their mutual best interest for Owner to construct the Public Facilities with the understanding that the City shall acquire those portions of the Public Facilities constructed by Owner as may be paid for by (i) the proceeds of the sale of the Bonds, and (ii) Owner contributions. All portions of the Public Facilities not acquired with the proceeds of the Bonds shall nonetheless be constructed by Owner, as required by the Project Approvals. All cost overruns in the construction of the Public Facilities shall be the responsibility of Owner. Any cost savings achieved in an element of any of the Public Facilities constructed in whole or in part with the proceeds of the sale of the Bonds shall be aggregated with all other such savings achieved throughout the District and shall be used for any other element of the Public Facilities, as approved by the City.

Section 8. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Public Facilities to be constructed by Owner for acquisition by the City as it deems necessary, and its inspectors shall have access to the construction sites at all times for the purpose of conducting their inspection. Owner and its contractors shall cooperate in every reasonable way with the City and its inspectors to ensure that they are afforded an adequate opportunity to inspect each and every phase of the progress of construction of each of the Public Facilities. Upon completion of the construction of a Public Facility (either in its entirety, or a segment or phase as shown on Exhibit "F", attached hereto and incorporated here in by this reference), constructed by Owner, and upon receipt of written notification from City's inspectors that construction thereof has been completed in accordance with the plans and specifications thereof and the City's standard requirements and upon receipt of satisfactory proof, based on the records of Owner and the City and such certifications as the City may require that the requirements of Sections 6 hereof have been satisfied, the City shall notify Owner in writing that the construction of the Public Facility, segment or phase has been satisfactorily completed, provided, however, that Owner and not the City shall be responsible for determining satisfaction of requirements of other public agencies with respect to the Public Facilities. Upon receiving such notification of a completed Public Facility, Owner shall forthwith file with the County Recorder of the County of Placer a Notice of Completion pursuant to the provisions of Section 3093 of the California Civil Code. Owner shall furnish to the City a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Recorder. The costs incurred by the City in inspecting and approving the construction of the Public Facilities may be paid or reimbursed from the proceeds of the sale of the Bonds.

Section 9. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 3115 and 3116 of the California Civil Code, Owner shall provide to the

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City such evidence or proof as the City shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of any Public Facility (or approved segment or phase thereof as shown on Exhibit "E" hereof) constructed by Owner for acquisition by the City have been paid and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

Section 10. Acquisition; Maintenance. Upon completion of the construction of each Public Facility, segment or phase constructed by Owner for acquisition by the City, the City shall determine the acquisition price to be paid by the City for the acquisition of the completed Public Facility, segment or phase from Owner. The acquisition price as to each Public Facility, segment or phase shall include the actual cost of construction thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Owner with its contractors, and supplier in accordance with standards and procedures therefor as prescribed by the City. Owner shall furnish to the City such proof of the amounts which Owner contends should be included in the acquisition price for a completed Public Facility, segment or phase as the City shall require, together with lien releases from all contractors and suppliers providing work and materials for the completed Public Facility segment or phase in form satisfactory to the City. The City shall have ten (10) days to determine the acquisition price. The determination of the City as to the acquisition price for a completed Public Facility segment or phase shall be final.

Upon determining the acquisition price for a completed Public Facility, segment or phase, the City shall promptly notify Owner in writing of such acquisition price and pay the undisputed amounts (less a retention of 150% of the value of "Punch List" work not completed) within ten (10) days thereafter from the proceeds of the sale of the Bonds. Upon payment and acceptance of the acquisition price for each completed Public Facility, segment or phase, Owner shall have no further claim for payment from the City with respect to the retentions. The City shall hold the retention amount on all Facilities acquired until the Punch List work is completed and accepted by the City.

Notwithstanding the preceding provisions of this Section, the City will not pay for the acquisition of any Public Facilities, segment or phase unless and until the street, drainage or other utility rights of way where such Public Facilities, segment or phase are located have been irrevocably offered to the City for dedication.

For each Public Facility, until a Public Facility is acquired by the City, Owner shall maintain it, and shall transfer it to the City free of any liens and in good operating condition. Upon the City's acquisition of a Public Facility, the City shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to any contractor's warranty or maintenance provisions of bonds required under the Final Map.

Section 11. Indemnification; Insurance. Owner shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the construction of the Public Facilities to be constructed by Owner for acquisition by the City, including, but not limited to, liability, costs, expense and claims arising, under the procedures set forth in Section 6 of this Agreement. Owner shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Public Facilities to

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be constructed by Owner for acquisition by the City prior to the time the City accepts the Public Facilities, whether or not such Public Facilities are to be acquired with bond proceeds. Owner shall procure and provide, until construction of all the Public Facilities to be constructed by Owner is completed and acceptance thereof by the City has occurred a broad form comprehensive general liability policy of insurance in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of \$2,000,000. Before commencing the construction of any Public Facility, Owner shall provide the City with a certification of insurance and endorsement as to such insurance in a form acceptable to the City, and Owner shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

Owner shall also furnish to the City, prior to commencing the construction of any Public Facility to be constructed by Owner for acquisition by the City, a certificate of insurance evidencing that Owner has procured and has in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Owner in connection with the design and construction of the Public Facilities. Owner shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Public Facilities to provide and maintain such workers' compensation insurance and a broad form, comprehensive general liability insurance policy in the amount hereinabove specified and in a form acceptable to the City. Owner shall provide to the City proof in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

Upon the execution of each contract with each person, firm or corporation with whom Owner contracts in connection with the design and construction of the Public Facilities and prior to permitting any such person firm or corporation to commence work under such contract, Owner shall provide to the City a certificate from the insurance providers for each such contractor that the contractor has in force the insurance policies required of it under this Section 11, that the City is named as an additional insured on the broad form comprehensive general liability insurance policy of such contractor, and that the policies will not be canceled, modified or allowed to lapse without 30 days written notice to the City.

The premiums paid by Owner for the insurance required by this Section may be included in the acquisition price to be paid by the City for the Public Facilities to be constructed by Owner as an incidental cost.

Section 12. Ownership of Facilities. Notwithstanding that some of the Public Facilities, segments or phases to be constructed by Owner for acquisition by the City may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, such Public Facilities, segments or phases shall be and remain the property of Owner, and Owner shall be responsible for any loss or damage thereto or liability arising therefrom, until they are acquired by the City or other agencies as provided in the preceding Sections of this Agreement. Such ownership by Owner shall likewise not be affected by any agreement which Owner may enter into with the City pursuant to the provisions of the Subdivision Map Act, Sections 66410 et seq. of the California Government Code which may contain or include provisions with respect to the construction and ownership of public facilities

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which may seem to be contradictory to the provisions of this Agreement, and the provisions of this Section shall control.

Section 13. Improvement Security. Notwithstanding any other provisions of this Agreement, Owner shall be required to agree to construct and to secure the construction and completion of construction of the Public Facilities, or portions thereof, as a condition precedent to the approval of subdivision or parcel maps for portions of the Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

The aggregate principal amount of the improvement bonds or other security provided by Owner pursuant to this Section shall be reduced by such amount as the City shall determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Public Facilities to be constructed or acquired with the proceeds of the sale of the Bonds.

All subdivision and performance bonds shall provide, inter alia, that the principal thereof, whether that be Owner or its contractor(s), guarantees that the completed Public Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one year from the date of acceptance by the City, and the obligation of the surety shall extend to the fulfilling of that guarantee. At the end of said one year period and subject to certification of the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease.

Section 14. Failure to Complete Construction. Notwithstanding the preceding provisions of this Agreement, if Owner fails to expeditiously prosecute the construction of any Public Facilities to be constructed by Owner for acquisition by the City, the City shall have the right and may elect to take over the construction of such Public Facilities, or any part thereof, if City determines it is necessary for City to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Owner in writing that if Owner does not satisfy the City that construction is proceeding expeditiously on the construction of one or more Public Facility within 30 days after receipt of such notice, the City will take over the construction of such Public Facilities. If after receiving such a written notification Owner does not satisfy the City that it is proceeding expeditiously to construct that portion of the Public Facilities identified in the written notification to the satisfaction of the City, within 30 days from the date of receipt thereof, Owner shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Public Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the only sources of the funds to be utilized by the City for the construction of any such Public Facilities shall be (i) the proceeds of the sale of the Bonds, and at City's discretion, (ii) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including, property in the City, (iv) interest earnings on the reserve fund for the Bonds, to the extent such earnings are determined by the City to be available for construction of the Public Facilities, (v) Owner's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by Owner, and (vii) Owner's and/or

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contractors' performance bonds. To the extent that the proceeds of the sale of the Bonds and such other funds may be insufficient to pay for the construction of a Public Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Public Facilities which can be constructed within the total of the amounts of the proceeds from the sale of the Bonds and such other funds which are available therefor, or the City may proceed to complete the Public Facilities and charge Owner, Owner's bond or any contractor's bond for the costs thereof.

Section 15. Owner Responsibility for Satisfaction of Improvements Required by Conditions of Approval. If the bonds are not sold in an aggregate principal amount sufficient to construct and acquire all the Public Facilities, Owner shall nevertheless construct and dedicate to the City the Public Facilities required by the Specific Plan Development Agreement, and the City may require such assurances of performance as the City deems appropriate.

Section 16. Construction of Other Facilities. Owner shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Public Facilities, which are necessary to the development of the Property and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Public Facilities. The provisions of this Section shall not supersede those of any other agreement between Owner and the City.

Section 17. Development Schedule. Owner shall also proceed with the development of the Property with all reasonable diligence to ensure that such development is completed in a reasonable time. If Owner does not so proceed with the development of the Property, the City may take action as specified in Section 14 hereof and, in addition, may withhold payment of acquisition costs hereunder.

Section 18. Termination. If for any reason the City is unable to sell the Bonds, this Agreement shall not become effective.

Section 19. Binding on Community Facilities District. The District shall automatically become a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall also apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

Section 20. Assignment. Owner may not assign this Agreement or any right or duty hereunder without the express written approval of the City. The City may condition any such approval on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Owner under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Owner hereunder shall not be unreasonably withheld.

Section 21. Prompt Action. All consents, approvals and determinations required of either the City or Owner pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

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Section 22. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of the parties and shall not be construed to confer any rights or benefits upon any persons other than the City and the Owner. This Agreement shall, however, inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against the other party with respect to this Agreement or the design and acquisition or construction of the Public Facilities, the party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience only, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

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

CITY OF ROSEVILLE
a municipal corporation

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

By: _____

W. CRAIG ROBINSON
City Manager

ATTEST

SIGNATURE AT FIDDYMENT, LLC,
By: a California limited liability company,

By SIGNATURE PROPERTIES, INC.,
a California corporation,

By: _____

SONIA OROZCO
City Clerk

By: _____

Name:
Its:

APPROVED AS TO FORM:

By: _____

MARK J. DOANE
City Attorney

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CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 445

**RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND
TO LEVY A SPECIAL TAX IN
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-333 "RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" (the "Resolution of Intention") with respect to Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention incorporates a map of the proposed boundaries of the CFD, states the facilities to be provided, the cost of providing such facilities and the rate and method of apportionment of the special tax to be levied within the CFD to pay principal of and interest on bonds proposed to be issued with respect to the CFD, and is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, the facilities to be provided as stated in the Resolution of Intention are set forth in Exhibit B attached hereto and hereby made a part hereof; and

WHEREAS, this Council noticed a public hearing to be held on September 15, 2004, all pursuant to the Act and the Resolution of Intention relating to the proposed formation of the CFD; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to this Council on said matters before it, including a CFD Report (the "Report") as to the facilities to be provided in the CFD and the costs thereof and incidental expenses related thereto, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by fifty percent or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax; and

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed facilities to be provided therein has not been eliminated by protest by fifty percent or more of the registered voters residing within the territory of the CFD or the owners of one-half or more of the area of land within the CFD and not exempt from the special tax;

NOW THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals Correct. The foregoing recitals are true and correct.

Section 2. No Majority Protest. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

Section 3. Name of CFD. The community facilities district designated "Fiddymont Ranch Community Facilities District No. 1 (Public Facilities)" of the City is hereby established pursuant to the Act.

Section 4. Boundaries of CFD. The boundaries of the CFD, are as set forth in the map of the CFD heretofore recorded in the Placer County Recorder's Office on August 18, 2004, in Book 3 at Page 39 of Maps of Assessment and Community Facilities Districts.

Section 5. Description of Facilities. The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities (the "Facilities") in Exhibit B hereto and by this reference incorporated herein.

Section 6. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit A attached hereto and by this reference incorporated herein.

c. In the case of any Special Tax to pay for the Facilities and to be levied against any parcel used for private residential purposes: (i) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes and which amount shall not be increased over time over two percent per year; (ii) the tax year after which no further Special Tax subject to this sentence shall be levied or collected shall be as set forth in Exhibit A hereto; and (iii) under no circumstances will the Special Tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel within the CFD by more than ten percent. For the purposes hereof, a parcel

is used for "private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

Section 7. Increased Demands. It is hereby found and determined that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD.

Section 8. Responsible Official. The office of the Director of Finance of the City of Roseville, 311 Vernon Street, Roseville, California 95678 (916-774-5319) is designated as the office responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number, estimating future special tax levies and for establishing procedures to promptly respond to inquiries regarding estimates of future special tax levies. The City may contract with private consultants to provide this service in lieu of the Director of Finance.

Section 9. Tax Lien. The Special Tax will be collected and enforced as a separate line item on the regular property tax bill. However, this City Council reserves the right, under Section 53340, to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing. In particular, the City may bill the 2004-05 Special Taxes directly, and not post those taxes to the regular, secured property tax roll. The procedure for collection in any case when the City chooses to collect the Special Tax through direct billing shall be as follows:

After levy by the City Council, whether pursuant to authorizing ordinance or annual resolution, the City Director of Finance shall prepare and send to the property owners by first class U.S. Mail, at their addresses as shown on the last equalized assessment roll, a tax bill, which shall specify the amount due, give instructions for payment to the City Director of Finance, state (as is hereby authorized and provided) that the first installment of the Special Tax (50% of the annual Special Tax shall be payable in each installment) shall be delinquent if not received by the City Director of Finance by the close of business on the next succeeding December 10, and the second installment shall be delinquent if not paid by the City Director of Finance by the close of business on the next succeeding April 10, shall specify (as is hereby authorized and provided) that all delinquencies shall incur an immediate 10% penalty, and an additional 1 1/2% penalty on the first day of each month beginning with the next succeeding September 1, and shall specify (as is hereby authorized and provided) that delinquencies are subject to judicial foreclosure under the procedure set forth in §53356.1 and following of the Government Code.

The City Council, as an alternative enforcement mechanism, may by resolution elect to place delinquent Special Taxes on the next secured property tax roll. In such event, attorneys' fees and costs to date in any foreclosure action, and penalties on the delinquency through the following December 1, may be included in the amount to be placed on the roll. Both remedies may be pursued simultaneously, but if the property owner pays the regular property tax bill for the subsequent year, including the delinquent Special Tax posted to that bill, the foreclosure action may thereafter be pursued solely for attorneys' fees and costs incurred subsequent to the posting of the delinquent Special Tax on the secured roll.

Section 10. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$80,000,000 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The

proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

Section 11. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

Section 12. Advances of Funds. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within the District, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

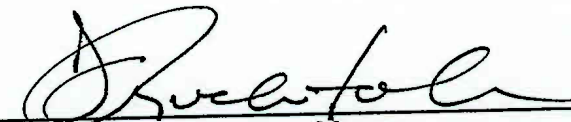
Section 13. Callable Bonds. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution providing for the form, execution and issuance of bonds.

Section 14. Prior Proceedings Valid. This City Council now finds and determines that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act. This determination and finding is final and conclusive in accordance with Government Code Section 53325.1.

* * * * *

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 15th day of September, 2004, by the following vote of the City Council:

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


Mayor

ATTEST:


City Clerk of the City of Roseville

The foregoing instrument is a correct copy of the original on file in this office.

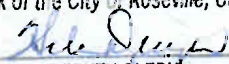
ATTEST:
City Clerk of the City of Roseville, California

DEPUTY CLERK

EXHIBIT A

CITY OF ROSEVILLE FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT No. 1 (PUBLIC FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"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 or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

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"Affordable Housing Director" means, at any point in time, the person within the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City's Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

"Affordable Unit Adjustment" means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

"Annual Tax Escalation Factor" means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

"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.

"Assigned Maximum Special Tax" means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

"Base Year" means Fiscal Year 2004-05.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

"Buildable Lot" means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

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“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“CFD Maximum Special Tax Revenue” means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels for which a Final Map was recorded prior to May 1 of the preceding Fiscal Year
- for Single Family Attached Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 83 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units

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within CFD No. 1 that exceeds 83 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 83rd Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this RMA.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides some or all of the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“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 and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

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"Non-Residential Property" means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

"Public Property" means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

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

"Single Family Attached Property" means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale Units, including such 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 in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

"Small Lot Tentative Map" means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder's Office to create legal lots.

"Small Lot Tentative Map Property" means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

"Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced

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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. 1 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.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

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

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

"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.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

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 within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor's Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, and (iv) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 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 Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property

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affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor's Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. *Prior to Recordation of a Large-Lot Subdivision Map*

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

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Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-115-001	\$582,400
017-115-061	\$388,500
017-115-062	\$277,250
017-115-063	\$277,250
017-100-009	\$1,604,200
017-100-010	\$373,100
017-100-034	\$759,200
017-100-035	\$70,000
017-100-036	\$165,000
017-100-040	\$114,400
* Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2

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of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

- Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.
- Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.
- Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If yes, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Buildable Lots will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If no, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

b. **Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

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- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.
- Step 2:** Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.
- Step 3:** Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. **Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property**

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot.
- Step 2:** Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.
- Step 3:** Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.
- Step 4:** Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. **Final Map Creating Buildable Lots in a Portion of the Large Lot**

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot.

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- Step 2:** Determine the number of Buildable Lots created within the Final Map area.
- Step 3:** Multiply the Buildable Lots from Step 2 by the "Base Tax Rate per Unit" shown in Attachment 2 for the Large Lot that has been subdivided by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.
- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

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D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Special Tax*

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

Step 1: Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the "Base Tax Rate" identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).

Step 2: Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

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Step 3: Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

- 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;
- Step 2:** If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Fiddymment Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Fiddymment Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

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Step 6: If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Fiddymont Ranch, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 7: If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax 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 H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or 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 2050-51. 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.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

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"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 \$56,000,000 in 2004 dollars, which shall increase on January 1, 2005, 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 City 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. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. Full Prepayment

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 City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City 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):

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	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1. Determine the 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 City.
- Step 2. Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
- 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 City 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.

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- 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*").

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

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ATTACHMENT 1

**CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

IDENTIFICATION OF LARGE LOTS

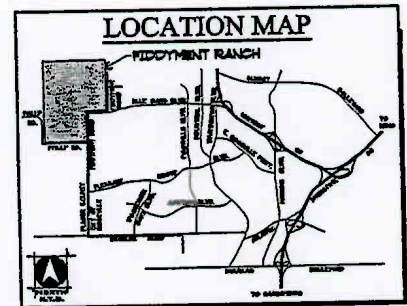
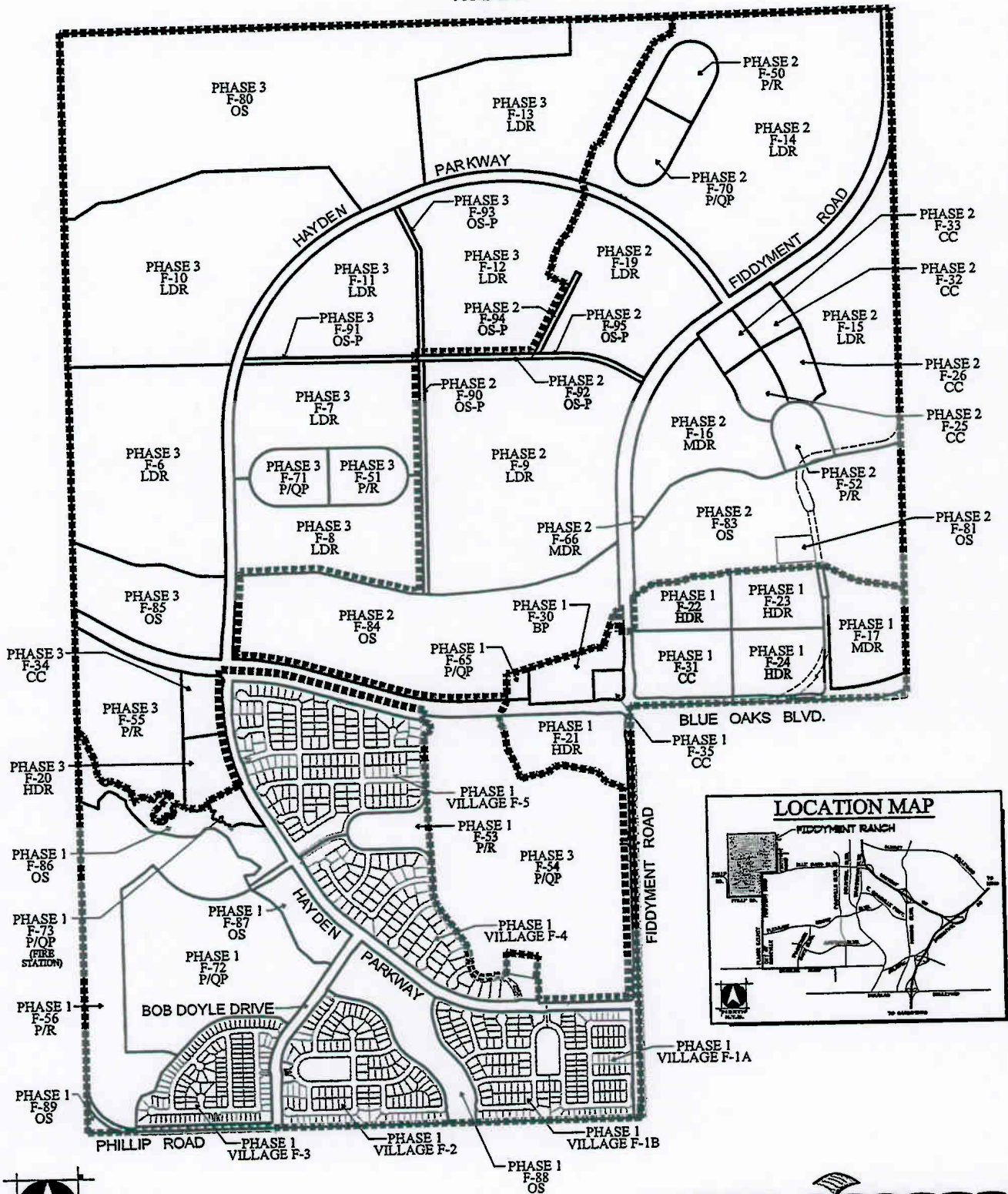
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ATTACHMENT 1

CITY OF ROSEVILLE

FIDDYMMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

JUNE 2004



WOOD RODGERS
ENGINEERING • PLANNING • MAPPING • SURVEYING
3301 O STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

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ATTACHMENT 2

CITY OF ROSEVILLE FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE I					
F-1	LDR	41.4	176 units	\$1,300	\$228,800
F-2	LDR	32.8	127 units	\$1,300	\$165,100
F-3	LDR	23.5	135 units	\$1,300	\$175,500
F-4	LDR	35.7	77 units	\$1,300	\$100,100
F-5	LDR	51.5	157 units	\$1,300	\$204,100
F-17	MDR	17.3	135 units	\$1,000	\$135,000
F-21	HDR	16.8	219 units	\$500	\$109,500
F-22	HDR	9.7	82 units	\$500	\$52,000
	HDR		44 units	\$250	(combined)
	(affordable)				
F-23	HDR	12.1	64 units	\$500	\$56,000
	HDR		96 units	\$250	(combined)
	(affordable)				
F-24	HDR	12.7	114 units	\$500	\$78,500
	HDR		86 units	\$250	(combined)
	(affordable)				
F-30	BP	9.1	N/A	\$5,000	\$45,500
F-31	CC	13.4	N/A	\$5,000	\$67,000
F-35	CC	2.0	N/A	\$5,000	\$10,000
PHASE II					
F-9	LDR	78.6	287 units	\$1,300	\$373,100
F-14	LDR	99.5	290 units	\$1,300	\$377,000
F-15	LDR	45.9	130 units	\$1,300	\$169,000
F-16	MDR	37.0	259 units	\$1,000	\$259,000
F-19	LDR	40.9	158 units	\$1,300	\$205,400
F-25	HDR	5.5	70 units	\$500	\$40,000
	HDR		20 units	\$250	(combined)
	(affordable)				
F-26	HDR	5.7	70 units	\$500	\$40,000
	HDR		20 units	\$250	(combined)
	(affordable)				
F-32	CC	4.9	N/A	\$5,000	\$24,500
F-33	CC	4.4	N/A	\$5,000	\$22,000

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Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE III					
F-6	LDR	67.8	197 units	\$1,300	\$256,100
F-7	LDR	46.4	152 units	\$1,300	\$197,600
F-8	LDR	25.4	78 units	\$1,300	\$101,400
F-10	LDR	88.5	270 units	\$1,300	\$351,000
F-11	LDR	57.4	180 units	\$1,300	\$234,000
F-12	LDR	34.3	117 units	\$1,300	\$152,100
F-13	LDR	66.5	240 units	\$1,300	\$312,000
F-20	HDR	6.9	52 units	\$500	\$43,000
	HDR		68 units	\$250	(combined)
F-34	(affordable) CC	5.4	N/A	\$5,000	\$27,000
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,611,300
Adjustment for Expected Affordable Units (83 Expected MDR Units)					<u>(\$41,500)</u>
CFD Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,569,800

- See Attachment 1 for the geographic area associated with each Large Lot.
- LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
CC = Community Commercial
BP = Business Park
- Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

Source of Data: Wood Rodgers, June 2004

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EXHIBIT B

Fiddymment Ranch
Community Facilities District (CFD) No. 1
City of Roseville, California

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 authorizes the creation of a Community Facilities District (CFD) to finance the construction of community infrastructure. The following facilities and improvements, described in the WRSP Public Facilities Financing Plan (Financing Plan) and designed to serve the Fiddymment Ranch project area located in the West Roseville Specific Plan (Specific Plan), are eligible for funding through this CFD.

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown in the Specific Plan and on Attachment 1:

- Fiddymment Road;
- Blue Oaks Boulevard;
- Hayden Parkway;
- Bob Doyle Drive;
- Phillip Road;
- Other public roadway improvements designed to meet the needs of the project.

Eligible roadway improvements include, but are not limited to, these: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and under grounding of existing overhead utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto.

Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

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POTABLE AND NON-POTABLE WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development in the Specific Plan. These facilities include, but are not limited to potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Water rights acquisition, purchase of water supply, and transfer fees are also authorized improvements.

DRAINAGE SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone drainage and storm drainage improvements designed to meet the needs of development within the Specific Plan. These facilities include, but are not limited to: mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping and irrigation; access gates, and fencing; and striping and signage.

WASTEWATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone wastewater facilities designed to meet the needs of development within the Specific Plan. These facilities include, but are not limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in the Specific Plan. Eligible improvements also include the Solid Waste Recycling Center. Facility improvements include, but are not limited to, these: site

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clearing, grading and paving; curbs and gutters; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, fencing, and recycle containers and bins; and striping and signage.

PARK AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to, these: bike trails; bike/pedestrian bridges; storm drain crossings; wetland mitigation; tree mitigation; off-site hawk mitigation, agricultural mitigation, and/or wetland mitigation property acquisition; endowment payments for open space management, landscaping and irrigation; access gates and fencing; and related open space improvements.

UTILITIES

Authorized facilities include any and all utility improvements designed to meet the needs of development in the Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982 include, but are not limited to, these: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching operation and maintenance [O&M] Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for authorized CFD facilities; project management, construction staking; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the public facilities and cost associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

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CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-446

**RESOLUTION DEEMING IT
NECESSARY TO INCUR BONDED INDEBTEDNESS IN
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-333 "RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" (the "Resolution of Intention") with respect to Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04- 446 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

WHEREAS, this Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain defined facilities (the "Facilities") by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness in the CFD and the administrative costs of the City relative to the CFD; and

WHEREAS, subsequent to the public hearing, this Council adopted on September 15, 2004 Resolution No. 04- 445 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)", (the "Resolution of Formation"); and

WHEREAS, this Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, No written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk;

The City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Necessity. This Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 within the boundaries of the CFD for the purpose of financing the costs of the Facilities, as provided in the Resolution of Intention and the Resolution of Formation including, but not limited to, the costs of issuing and selling bonds to finance the Facilities and the costs of the City in establishing and administering the CFD.

Section 3. Entire CFD Liab. The whole of the CFD shall pay for the bonded indebtedness through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit "A" to the Resolution of Formation.

Section 4. Bonds. Bonds in the maximum amount of \$80,000,000 are hereby authorized subject to voter approval. The bonds may be issued in such series and may mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as this Council or its designee shall determine, at the time or times of sale of such bonds; provided, however, that the interest rate or rates shall not exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds and the bonds or any series thereof shall have a maximum term of not to exceed 35 years. It is the intention of this City Council that any bonds issued may be made callable on terms to be specified in any resolution providing for the form, execution and issuance of bonds, in accordance with the terms of the Act. The maximum rate of interest shall be determined by competitive sale or by negotiation at the time of bond sale, but in any case shall not exceed the legal rate as specified, from time to time, by Government Code Section 53531 or any similar controlling provision of law.

Section 5. Election. The proposition of incurring the bonded indebtedness herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this Council. The City Clerk is hereby designated as the official to conduct the special, mailed-ballot election pursuant to the Act. The special CFD election shall be conducted by mailed ballot. In order to be counted, ballots must be returned to, and be physically received by, the City Clerk before the end of the public hearing on formation of the CFD. If all authorized ballots are received by the City Clerk prior to that time, the City Clerk shall, pursuant to Government Code section 53326(d), immediately close the election and declare the results.

* * * * *

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 15th day of September, 2004, by the following vote of the City Council:

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

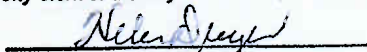

Mayor

ATTEST:


City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST:
City Clerk of the City of Roseville, California


DEPUTY CLERK

Case 07-446

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 447

**RESOLUTION CALLING SPECIAL ELECTION IN
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on September 15, 2004 this Council adopted Resolution No. 04- 445 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)", ordering the formation of the City's Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04- 446 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act;

NOW, THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Issues Submitted. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

Section 2. Qualified Electors. This Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

Section 3. Conduct of Election. This Council hereby calls a special election to consider the measures described in Section 1 above, which election shall be held on September 15, 2004, and the results thereof canvassed at the meeting of this Council on September 15, 2004. The City Clerk is hereby designated as the official to conduct the election and to receive

all ballots until 7:00 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. This Council hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of Section 4000 are applicable to this special election.

Section 4. Ballot. As authorized by Section 53353.5 of the Act, the three propositions described in section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board of the election.

Section 5. Waivers. This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act

Section 6. Accountability. Under Sections 50075.1 and 53410 of the Government Code, the following accountability measures shall apply to the special taxes and/or any bonds: (a) the construction and/or acquisition of the Facilities and the incidental costs thereof including any bonds, all as defined in the Resolution of Formation shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report as required by Section 50075.3 or 53411 of the Government Code.

* * * * *

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 15th day of September, 2004, by the following vote of the City Council:

PRE 07-447

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



 Mayor

ATTEST:



 City Clerk of the City of Roseville

EXHIBIT A - Form of Ballot

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: _____
 City Clerk of the City of Roseville, California


 DEPUTY CLERK

Page 04-447

EXHIBIT A

FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA

SPECIAL ELECTION BALLOT
(Mailed-Ballot Election)

Number of Votes: _____

Property Owner: _____

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Roseville, the above-named landowner is entitled to cast the number votes specified above on this ballot. In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before the end of the public hearing on September 15, 2004, to:

Sonia Orozco, City Clerk
City of Roseville
311 Vernon Street
Roseville, CA 95678

Mailing by that date will not be sufficient. The ballot must be physically received by the City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City Council of the City of Roseville be authorized to issue up to \$80,000,000 in bonds, levy a special tax, and finance public facilities by and through its Fiddymment Ranch Community Facilities District No. 1 (Public Facilities), all as specified in its Resolution Nos. 04-_____ and 04-_____, and shall the appropriations limit for the District for fiscal year 2004-2005 be established at \$80,000,000?

Number of votes

YES

Number of votes

NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

signature

print name

print title

Rec'd 14-447
Pg. 1

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 448

**RESOLUTION DECLARING ELECTION RESULTS OF
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES)**

WHEREAS, on September 15, 2004 this Council adopted Resolution No. 04- 445 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution of Formation"), ordering the formation of the City's Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04- 446 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

WHEREAS, under the provisions of the Resolution of Formation and the Resolution Determining Necessity, and pursuant to a resolution entitled "Resolution Calling Special Election in Fiddymment Ranch Community Facilities District No. 1 (Public Facilities)" (the "Election Resolution") heretofore adopted by this Council, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of the CFD as required by the provisions of the Act; and

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD;

NOW, THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals. The foregoing recitals are all true and correct.

Section 2. Issues Presented. The issues presented at the special election were the levy of a special tax within the CFD, the incurring of a bonded indebtedness in the maximum aggregate principal amount of \$80,000,000, and the approval of an annual appropriations limit

of not to exceed \$80,000,000 all pursuant to the Resolution of Formation and the Resolution Determining Necessity.

Section 3. Canvass and Issues Approved. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.

Section 4. Proceedings Approved. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

Section 5. Notice of Tax Lien. The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Placer a notice of special tax lien in the form required by the Act, such recording to occur no later than 15 days following adoption by the Council of this resolution.

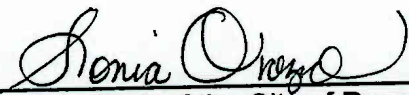
* * * * *

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 15th day of September, 2004, by the following vote of the City Council:

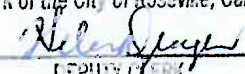
AYES:	COUNCILMEMBERS	Allard, Roccucci, Gray, Garbolino, Rockholm
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	None
ABSTAIN:	COUNCILMEMBERS	None


Mayor

ATTEST:


City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST:
City Clerk of the City of Roseville, California

DEPUTY CLERK

2004-445
182

EXHIBIT A

**CERTIFICATE OF CITY CLERK
CANVASS AND STATEMENT OF RESULTS OF ELECTION**

**CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
PLACER COUNTY, CALIFORNIA**

I, Sonia Orozco, City Clerk of the City of Roseville (the "City") hereby certify:

I have personally received and assembled all ballots eligible to be cast in the special mailed-ballot, landowner election called by the City Council in its "RESOLUTION CALLING SPECIAL ELECTION IN FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" adopted September 15, 2004, and in accordance with my instructions contained in that Resolution, I hereby declare the election closed.

I personally, in the presence of the City Council, and members of the public and City staff, counted the ballots and certify the result of that count to be as follows:

TOTAL VOTES THAT COULD BE CAST 1679

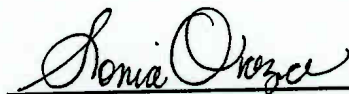
TOTAL VOTES CAST "YES" 1679

TOTAL VOTES CAST "NO" 0

TOTAL VOTES CAST 1679

THE VOTES CAST "YES" EQUAL 100 % OF THE TOTAL VOTES CAST.

I make this Certification on September 15, 2004.



Sonia Orozco
City Clerk of the City of Roseville

KSO 07-448

Pg 3

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 449

**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 Fiddymment 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 designated City of Roseville Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds and the City now desires to issue the first series of the bonds (the "Bonds"); and

WHEREAS, there has been submitted to the City Council a Fiscal Agent Agreement (the "Fiscal Agent Agreement") providing for the issuance the Bonds of the City for the District, and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order, and now desires to approve the Fiscal Agent Agreement and the issuance of the Bonds; and

WHEREAS, the City proposes to sell the Bonds to Piper Jaffray & Co., Inc. and Stone & Youngberg LLC (together, 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.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

Section 1. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, 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 2004" in an aggregate principal amount not to exceed \$45,000,000 are hereby authorized to be issued. The Bonds shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement.

In furtherance of the issuance of the 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 Bonds for the purpose of providing moneys for the construction and acquisition of improvements within the District, (ii) the 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 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 proposed principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or by a special assessment on property within the District.

The City Council hereby approves the Fiscal Agent Agreement in the form presented to the City Council at this meeting. The Finance Director, 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 Fiscal Agent 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 proceeds of the Bonds shall be applied by the City for the purposes and in the amounts as set forth in the Fiscal Agent Agreement. The City Council hereby authorizes the delivery and performance by the City of the Fiscal Agent Agreement.

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 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 Bonds in excess of \$45,000,000 or result in an underwriter's discount in excess of 1.5%, or an average true interest rate on the 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 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

Page 04-449

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 Bonds and to deliver copies of the Official Statement to all actual purchasers of the 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 Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

Section 6. The Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the 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 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 Bonds. The Authorized Officers are each hereby authorized and directed to execute an agreement with said firm for its services in connection with the Bonds, provided that the compensation payable to said firm is payable solely from the proceeds, and wholly contingent upon the issuance, of the 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 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 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 15th day of September, 2004, by the following vote of the City Council:

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



Mayor

ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST:

City Clerk of the City of Roseville, California


DEPUTY CLERK

12-04-447