

City Clerk

311 Vernon Street
Roseville, California 95678-2649

November 9, 2005

John Mourier Construction
ATTN: Rod Yamanaka
1430 Blue Oaks Blvd., Suite 190
Roseville, CA 95747

RE: FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT FOR
LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1

At the meeting of October 19, 2005 the City Council adopted a resolution authorizing the City Manager to execute the agreement for the above. The fully executed agreement is enclosed along with a certified copy of authorizing Resolution No.05-535.

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

SONIA OROZCO, CMC
CITY CLERK

By:



Helen Dreyer
Deputy Clerk

Cc: Attorney
Finance
Rebecca Santini/Finance

FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
DATED AS OF OCTOBER 2005

Executed by the

CITY OF ROSEVILLE

and by

JOHN MOURIER CONSTRUCTION, INC.

LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1

CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1

THIS AGREEMENT is entered into as of the 19th day of October, 2005, by and between the CITY OF ROSEVILLE, a California chartered municipal corporation (the "City"), and JOHN MOURIER CONSTRUCTION, INC., a California corporation (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"). Portions of the Property are referred to as the "Longmeadow Property" and the "Parkside Property," as shown on Exhibits A and B; the Longmeadow Property and the Parkside Property are referred to collectively as 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 a general plan amendment respecting the Longmeadow Property on April 21, 2004 (the "General Plan Amendment") and rezoned the Longmeadow Property pursuant to Ordinance No. 4071, dated April 21, 2004. The General Plan, as amended, sets forth a comprehensive land use plan affecting development of the Property. On April 21, 2004, the City Council of the City adopted Ordinance No. 4072 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 Longmeadow Property, and said agreement has been entered into and is dated June 21, 2004 (the "Development Agreement"). The General Plan, zoning, 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 "Longmeadow Parkside 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.

(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 \$11,500,000.00 (the "Bonds") for the purpose of raising an amount to pay for the design, construction, payment for, 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 "C" 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, 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 Agreements. 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) BW Engineers, KD Anderson, civil engineers, to design the Project's streets, traffic signals, water, sewer and storm drainage facilities, (ii) Roseville Electric, to design the Project joint trench utilities, (iii) Raney Geotechnical, soils engineers, as the Project soils engineer, and (iv) HLA Group, 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.

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 "C", 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 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, and/or payment for, 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 a 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.

(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 30, 2007, or such other date as may be required by the Development Agreement or as to which the City and Owner may agree in writing. If completion of construction of the Public Facilities is delayed by reason of acts of God, or any other causes beyond Owner's control, the time for completion may be extended by written notice from the City Manager, provided that within thirty (30) days after Owner has or should have knowledge of any such enforced delay, Owner shall have first notified the City, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay. Notwithstanding the foregoing, however, the construction of the Public Facilities shall proceed and be completed so that the proceeds of the Bonds may be expended for the construction and 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 design, construct and/or pay for the Public Facilities with the understanding that the City shall acquire those portions of the Public Facilities designed, constructed and/or paid for by Owner as may be paid for by (i) the proceeds of the sale of the Bonds; (ii) pay-as-you-go special tax revenues for a period of five years commencing on the first day of the first fiscal year for which Special Taxes are levied; (iii) earnings on the Improvement Fund balance; and (iv) Owner contributions. All portions of the Public Facilities not paid for by the proceeds of the Bonds, pay-as-you-go special tax revenues or Improvement Fund earnings shall nonetheless be designed, constructed and/or paid for 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. For reimbursement of fees associated with the Public Facilities, Owner shall be entitled to receive payment from Bond proceeds, pay-as-you-go special tax revenues or Improvement Fund earnings only when all of the Public Facilities, other than fees, have been acquired by the City, and only to the extent that a positive balance of funds from such sources remains after acquisition of Public Facilities other than fees.

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 "D", 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 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 "C" 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 or paid for by Owner for acquisition by the City, the City shall verify completion of the Public Facility, segment or phase. Upon such verification, City shall then 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 within ten (10) days thereafter from the proceeds of the sale of the Bonds and, if applicable, from pay-as-you-go special tax revenues from the five-year period commencing on the first day of the first fiscal year for which Special Taxes are levied and from earnings on the

Improvement Fund balance. 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. City's obligation to pay shall be limited to the extent of available Bond proceeds, pay-as-you-go special tax revenues from the five-year period commencing on the first day of the first fiscal year for which Special Taxes are levied and earnings on the Improvement Fund balance.

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, claims, costs, and expense in connection with the construction of the Public Facilities to be constructed by Owner for acquisition by the City 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 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's indemnification obligations under this paragraph shall not extend to liability, claims, costs and expense arising from the willful misconduct of the City, the District, or their officers, agents or employees. 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 an amount not less than \$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 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 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, by and through the City Manager. 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.

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.

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

By: 
W. CRAIG ROBINSON, City Manager

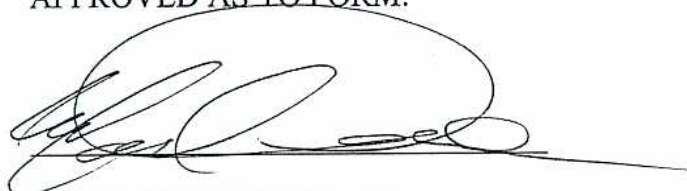
JOHN MOURIER CONSTRUCTION, INC., a California corporation

By: 
JOHN MOURIER III, President

ATTEST:


SONIA OROZCO, City Clerk

APPROVED AS TO FORM:

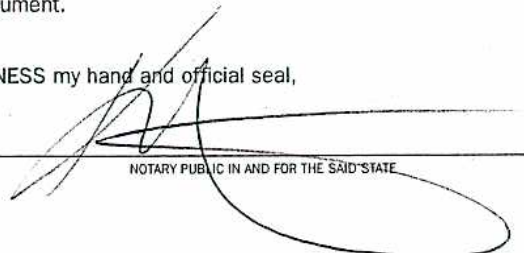

MARK J. DOANE, City Attorney

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF California
COUNTY OF Placer }

On November 4, 2005 before me, KAREN HEADLEY
personally appeared John L. Mounier III

personally known to me (or proved on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed in the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal,


NOTARY PUBLIC IN AND FOR THE SAID STATE



CAPACITY CLAIMED BY SIGNER
NAME OF PERSON(S) OR ENTITY(IES)
 INDIVIDUAL(S)
 CORPORATE _____
OFFICER(S) _____
 PARTNER(S)
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 SUBSCRIBING WITNESS
 GUARDIAN/CONSERVATOR
OTHER _____

SIGNER IS REPRESENTING
NAME OF PERSON(S) OR ENTITY(IES)

ATTENTION NOTARY: Although the information requested below is optional, it could prevent fraudulent attachment of this certificate to unauthorized document.

**THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT THE RIGHT:**

Title or Type of Document _____
Number of Pages _____
Date of Document _____
Signer(s) Other Than Named Above _____

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.



EXHIBIT "A"

EXHIBIT "A"
LEGAL DESCRIPTION

LONGMEADOW

Lots 1 through 144, inclusive, and Lot B, as shown on the Subdivision Map entitled "Longmeadow Village 1" filed for Record on April 26, 2005, in Book AA of Maps, at Page 28, Official Records of Placer County, and all of that remainder lot shown on said map and described as follows:

Beginning at the Northeast corner of Lot 401 as shown on said Longmeadow Village 1; thence from said Point of Beginning along the North line of said Lot 401, North 89°45'47" West, 1205.31 feet; to a point in the East Right-of-Way line of Woodcreek Oaks Boulevard; thence along said Right-of-Way the following five (5) courses, (1) North 03°23'52" East, 4.43 feet to a point of curvature; thence, (2) along the arc of a curve to the left, concave to the West having a radius of 1038 feet, a central angle of 03°09'52", subtended by a chord bearing, North 01°48'56" East, 57.32 feet to a point of tangency; thence, (3) North 00°14'00" East, 488.27 feet; thence, North 04°59'49" East, 120.42 feet; thence, (5) North 00°14'00" East, 42.00 feet to the Southwest corner of said Lot 'B'; thence leaving said Right-of-Way along the South line of said Lot 'B', South 89°45'51" East, 627.37 feet to the Southeast corner of said Lot 'B'; thence along the East line of said Lot 'B', North 00°15'46" East, 188.99 feet to a point in the South Right-of-Way line of Parkside Drive; thence along said South Right-of-Way line the following seven (7) courses, (1) South 89°45'47" East, 370.50 feet; thence, (2) South 44°50'21" East, 14.16 feet; thence, (3) South 00°05'05" West, 33.06 feet; thence, (4) South 89°54'55" East, 82.00 feet; thence, (5) North 00°05'05" East, 32.85 feet; thence, (6) North 45°09'39" East, 14.12 feet; thence, (7) South 89°45'47" East, 796.78 feet; thence leaving the South Right-of-Way line of Parkside Drive, South 44°50'21" East, 27.41 feet to a point in the West Right-of-Way line of New Meadow Drive; thence along said Right-of-Way line the following fifteen (15) courses, (1) South 00°05'05" West, 226.12 feet; thence, (2) South 45°09'39" West, 14.12 feet; thence, (3) North 89°45'47" West, 32.86 feet; thence, (4) South 00°14'13" West, 84.00 feet; thence, (5) South 89°45'47" East, 33.08 feet; thence, (6) South 44°50'21" East, 14.16 feet; thence, (7) South 00°05'05" West, 296.89 feet; thence, (8) South 45°09'39" West, 14.12 feet; thence, (9) North 89°45'47" West, 32.85 feet; thence, (10) South 00°14'13" West, 84.00 feet; thence, (11) South 89°45'47" East, 33.06 feet; thence, (12) South 44°50'21" East, 14.17 feet; thence, (13) South 00°05'05" West, 124.89 feet; thence, (14) South 02°28'14" West, 120.10 feet; thence, (15) South 00°05'05" West, 185.01 feet; thence leaving said East Right-of-Way, South 44°41'57" West, 49.83 feet to a point in the North Right-of-Way line of Blue Oaks Boulevard; thence along said Right-of-Way line, South 89°19'25" West, 685.89 feet to a point in the East line of Lot 401 as shown on said map; thence along said East line, North 00°14'13" East, 325.78 feet to the Point of Beginning containing 42.10 acres more or less.

PARKSIDE

Lots 1 through 35, inclusive, as shown on the Subdivision Map entitled "DUNMORE ROSEVILLE, PORTER DRIVE" filed for Record on December 15, 2004, in Book AA of Maps, at Page 16, Official Records of Placer County.

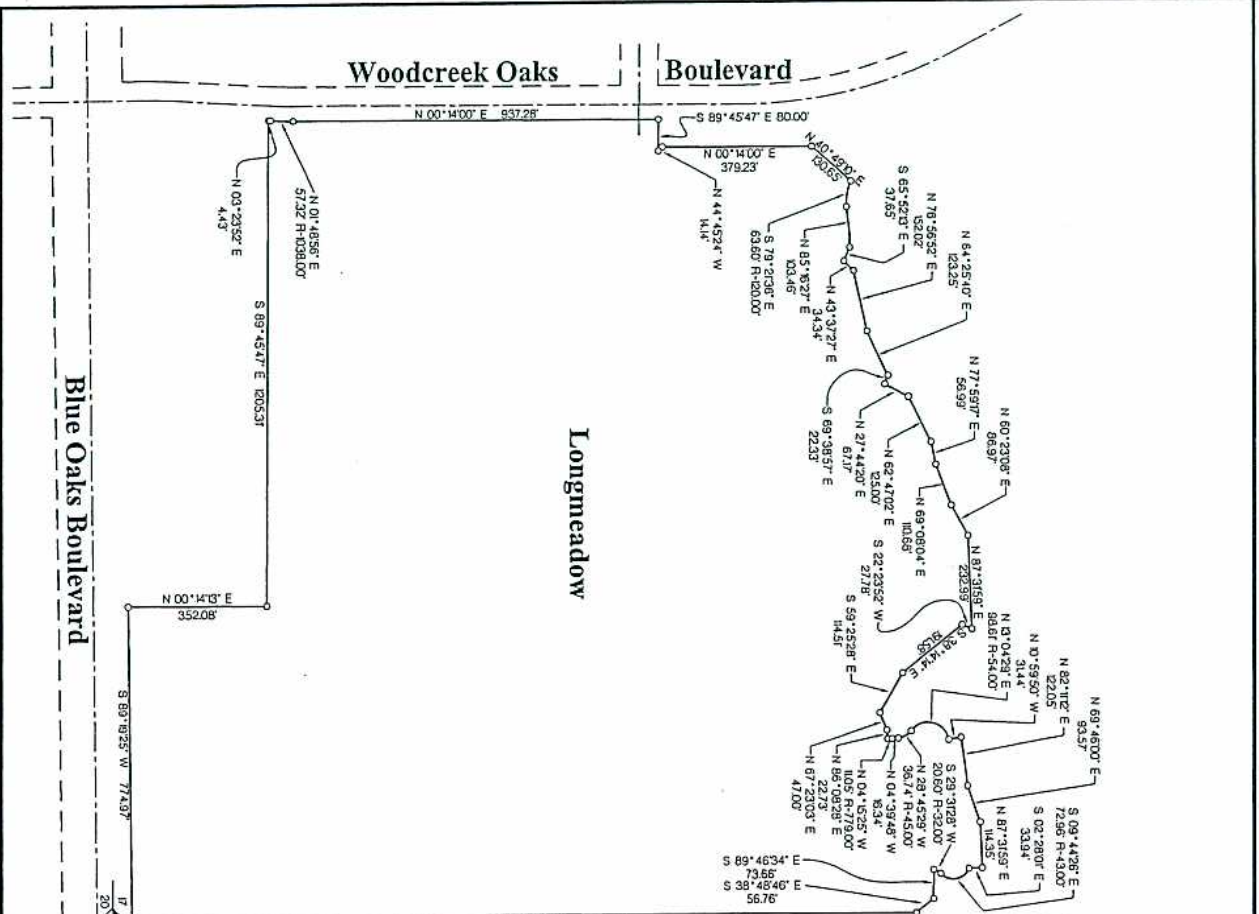
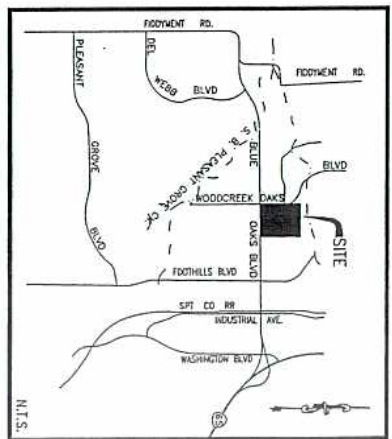
EXHIBIT "B"

Amended and Superseded Boundary Map
City of Roseville
 Longmeadow Parkside
 (Formerly recorded as Longmeadow Porter)
 Community Facilities District No. 1
 (Public Facilities)

This Boundary Map supercedes that Boundary Map recorded as "Longmeadow Porter Community Facilities District No. 1 (Public Facilities)" on September 16, 2005 in Book 3 of Community Facilities, at Page 55.

City of Roseville, Placer County, State of California
 Scale 1" = 200'
 October 2005

Sheet 1 of 2



LEGEND:
 DISTRICT BOUNDARY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF ROSEVILLE, LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) CITY OF ROSEVILLE PLACER COUNTY, CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING ON _____, 2005, BY ITS RESOLUTION NO. _____.

SONIA ORZOG, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA ON THIS _____ DAY OF _____, 2005.

SONIA ORZOG, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 2005, AT THE CLERK OF THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

JULIA CALEY
 COUNTY RECORDER

By: _____
 DEPUTY COUNTY RECORDER
 COUNTY OF PLACER

File #: _____
 Instrument No: _____



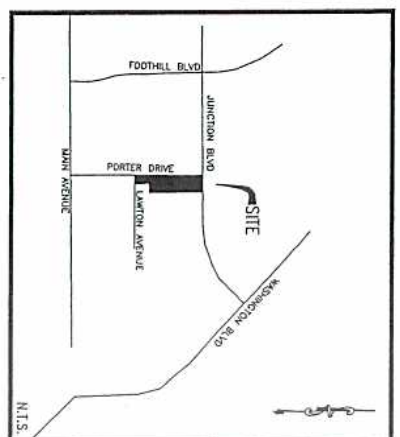
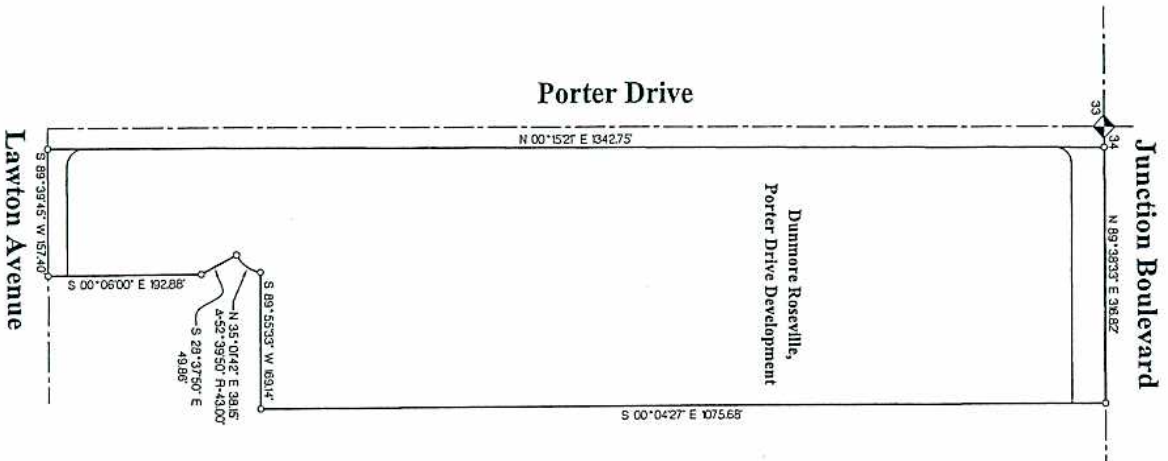
BAKER-WILLIAMS ENGINEERING GROUP
 Engineering / Surveying / Land Planning / Environmental / GIS Services
 6020 Piedra Drive, Suite 18 - Carmichael, CA 95608
 (916) 331-4338 - Fax (916) 331-4330 - info@bakermweng.com

Amended and Superseded Boundary Map
City of Roseville
Longmeadow Parkside
 (Formerly recorded as Longmeadow Porter)
Community Facilities District No. 1
(Public Facilities)

This Boundary Map supersedes that Boundary Map recorded as "Longmeadow Porter Community Facilities District No. 1 (Public Facilities)" on September 16, 2005 in Book 3 of Community Facilities, at Page 55.

City of Roseville, Placer County, State of California
 Scale 1" = 100'

Sheet 2 of 2



LEGEND:
 _____ DISTRICT BOUNDARY



BAKER-WILLIAMS ENGINEERING GROUP
 Engineering / Surveying / Land Planning / Estimation / Processing / GPS Services
 6090 Riverside Avenue, Suite 19, Channahon, IL 61615
 (815) 331-4336 - Fax (815) 331-4430 - info@bakerwilliams.com

EXHIBIT "C"

Exhibit C

City of Roseville

Longmeadow Parkside CFD No. 1

Estimated Costs of Authorized Facilities (2005 \$s)

Description	Longmeadow	Parkside	Total Costs
CFD Hard Construction Costs			
Blue Oaks Boulevard			
Blue Oaks Boulevard @ HP	\$150,009	\$0	\$150,009
Blue Oaks Boulevard and Woodcreek Oaks	\$683,436	\$0	\$683,436
Blue Oaks Boulevard and Woodcreek Oaks (remaining work)	\$317,666	\$0	\$317,666
Blue Oaks Boulevard @ W44	\$965,067	\$0	\$965,067
Parkside Drive			
Parkside and 1/2 New Meadow	\$1,138,210	\$0	\$1,138,210
New Meadow @ W44	\$310,702	\$0	\$310,702
Dry Utility Trench Costs/Fees (Roseville Electric)	\$252,758	\$20,000	\$272,758
Dry Utility Trench Costs/Fees (Lupton Excavation)	\$277,327	\$0	\$277,327
Landscaping	\$439,259	\$31,844	\$471,103
Masonry Wall / Entry Features	\$690,721	\$46,224	\$736,945
Masonry Wall / Entry Features (Village 2 Phase 4)	\$109,781	\$0	\$109,781
Subtotal CFD Hard Construction Costs	\$5,334,936	\$98,068	\$5,433,004
CFD Soft Construction Costs			
Engineering @ 4.5%	\$240,072	\$4,413	\$244,485
Plancheck and Inspection @ 4%	\$213,397	\$3,923	\$217,320
Construction Staking @ 1.5%	\$80,024	\$1,471	\$81,495
Project Management @ 4%	\$213,397	\$3,923	\$217,320
Contingency @ 5%	\$266,747	\$4,903	\$271,650
Subtotal CFD Soft Construction Costs	\$1,013,638	\$18,633	\$1,032,271
Impact Fees			
Community Benefit Fee	\$647,360	\$0	\$647,360
City-Wide In-Lieu Park Fees	\$878,000	\$0	\$878,000
Subtotal Impact Fees	\$1,525,360	\$0	\$1,525,360
TOTAL AUTHORIZED FACILITIES COSTS	\$7,873,934	\$116,701	\$7,990,635

Costs

Source: John Mourier Construction, Inc.

NOT APPLICABLE

EXHIBIT "D"