

---

**FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT**

DATED AS OF March 20, 2002

Executed by the

**CITY OF ROSEVILLE**

and by

**JOHN MOURIER CONSTRUCTION, INC.**

RELATIVE TO THE

**CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1**

**CITY OF ROSEVILLE  
PLACER COUNTY, CALIFORNIA**

## TABLE OF CONTENTS

	<u>Page</u>
RECITALS .....	1
AGREEMENTS .....	2
Section 1. Establishment of District .....	2
Section 2. Sale of Bonds .....	2
Section 3. Tax Requirements .....	2
Section 4. Amounts to be Included in Bonds .....	2
Section 5. Design .....	3
Section 6. Construction for Acquisition .....	4
Section 7. Payment; Cost Overruns; Shortfalls .....	5
Section 8. Inspection and Approval of Construction .....	5
Section 9. Liens .....	5
Section 10. Acquisition; Maintenance .....	6
Section 11. Indemnification; Insurance .....	6
Section 12. Ownership of Facilities .....	7
Section 13. Improvement Security .....	8
Section 14. Failure to Complete Construction .....	8
Section 15. JMC Responsibility for Improvements Required by Conditions of Approval .....	9
Section 16. Construction of Other Facilities .....	10
Section 17. Termination .....	10
Section 18. Binding on Community Facilities District .....	10
Section 19. Assignment .....	10
Section 20. Prompt Action .....	10
Section 21. General .....	10

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

THIS AGREEMENT is entered into as of the 20th day of March, 2002 by and between the CITY OF ROSEVILLE, a California chartered municipal corporation (the "City"), and JOHN MOURIER CONSTRUCTION, INC., a California corporation ("JMC").

**RECITALS**

(A) JMC and Mourier Land Investment Corporation own the real property described as the Mourier 160 and Doctor's Ranch portions of the North Roseville Specific Plan, as more particularly described in the Development Agreement referred to below (the "Property"). The Property is located within the corporate limits of the City.

(B) JMC proposes to make improvements to the portion of the Specific Plan that includes the Property (the development of such portion of the Specific Plan is defined herein as the "Project") as required by the Project Approvals (as defined below). The City Council of the City approved a Specific Plan for the development of the Property (and properties owned by others) on August 6, 1997, which Plan was amended several times and most recently on January 16, 2002, the "North Roseville Specific Plan and Design Guidelines" (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 that includes the Property. The City Council has approved two development agreements with respect to the Property. On September 22, 1999, the City Council of the City approved a development agreement between the City and Mourier Land Investment Company 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 (the "Development Agreement Statute") with respect to the southern portion of the Property, commonly known as the Mourier 160. Said development agreement was amended on October 11, 2000. On October 11, 2000, the City Council of the City approved another development agreement between City and Mourier Land Investment Company pursuant to the Development Agreement Statute with respect to the northern portion of the Property, commonly referred to as Doctor's Ranch (collectively, the two development agreements and their amendments are referred to hereinafter as the "Development Agreement"). The Specific Plan, Development Agreement, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between JMC and City in implementation of the Project, as the same may be amended from time to time, including amendments thereto, are herein collectively referred to as the "Project Approvals."

(C) In accordance with the Development Agreement, as amended, JMC 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 a share of the costs for certain public facilities which are necessary to the development of the Specific Plan and the provision of municipal services to the Specific Plan, including the issuance of special tax bonds. Said community facilities district is to be known as "Crocker 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.

(E) The purpose of this Agreement is to provide for the establishment of the District, the acquisition of and payments for 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 JMC.

## 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 has initiated and concluded proceedings pursuant to the Act for the establishment of the District. Such proceedings included 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 design, construction or acquisition of the below described authorized facilities, (ii) the issue of the 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, or the acquisition of authorized facilities and payment of authorized costs from the proceeds of such special taxes, and (iii) the question of the establishment of an appropriations limit for the District.

Section 2. Sale of Bonds. The City shall proceed, as hereinafter provided, with the sale of bonds for the District in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds") for the purpose of raising an amount to pay for the design, construction or acquisition of, or the payment for the aforementioned authorized facilities. Said authorized facilities (the "Authorized Facilities") are generally described in Exhibit "A" 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 the first series of bonds is not sold within one (1) year of this Agreement, neither the City nor the JMC 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 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 (if and to the extent not provided by

the levy and collection of special taxes in advance of such Bond sale), 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 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 JMC, or any related entity thereto, for costs and expenses incurred by it which are related to the establishment of the District and reimburse JMC for the design and construction of the Authorized Facilities; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by JMC and the decision of the City shall be final. (All of the foregoing fees, costs, and expenses described in this paragraph are hereinafter "Formation Fees and Costs.") In no event shall JMC be reimbursed from Bond proceeds for (i) in-house administrative overhead (except that JMC 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 JMC on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Authorized Facilities (provided, that JMC shall be entitled to interest on acquisition proceeds as provided in Section 15 hereof); and (iii) any other costs and expenses incurred by JMC which are not authorized by the Act.

Section 5. Design. Authorized 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 Authorized Facility to the satisfaction of the City and when JMC has paid to the City all applicable plan checking and other fees, the City shall notify JMC that the design of the Authorized Facility is completed and acceptable to the City. It shall be the responsibility of JMC, not the City, to determine the requirements for design and construction of Authorized Facilities to be acquired by or dedicated to other public agencies, and City's acceptance of JMC's design shall not relieve JMC of this responsibility.

JMC has been authorized by the City to commence the design of the Authorized Facilities, and the City has approved JMC's project engineer to design streets, traffic signals, water, sewer and storm drainage facilities, and JMC's landscape architect to plan and design street and open space landscaping. JMC may, after obtaining approval of the City, retain the services of additional consultants to design other portions of the Authorized Facilities.

JMC shall be reimbursed out of the "Available Construction Proceeds" (which shall be the proceeds of the sale of the Bonds, less the Formation Fees and Costs to be deducted therefrom), for JMC's expenses, and the expenses of any entity related thereto, incurred in designing those Authorized Facilities set forth in Exhibit "A" hereto, including all applicable plan checking and other fees paid by JMC 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 and special tax revenues 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 Authorized Facility.

Notwithstanding the preceding provisions of this Section, if the City determines that JMC is not proceeding with the design of the Authorized Facilities on a reasonable schedule which will enable

the City to insure that construction of all of the Authorized Facilities can be completed within the time specified in Section 6 hereof, the City may take over the design of the Authorized Facilities by giving JMC written notice thereof. Upon receipt of such a notice, JMC 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 Authorized Facilities as provided above, the City shall reimburse JMC from the Available Construction Proceeds a reasonable amount, reasonably determined by the City, for the expenses incurred by JMC in connection with the design of the Authorized Facilities which have not previously been reimbursed, provided there are sufficient funds remaining, after payment for the Authorized Facilities, to do so.

Section 6. Construction for Acquisition. The City shall only be required to acquire from JMC, and otherwise pay JMC for, the Authorized Facilities set forth in Exhibit "A." JMC shall proceed with the construction of and/or payment for the Authorized 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 Authorized Facilities under this Section, JMC shall comply with all of the following requirements to insure that the Authorized Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:

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

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

(c) JMC 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 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 JMC, require changes to the work. JMC 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 Authorized Facilities shall be awarded to the responsible bidder(s) submitting the lowest responsible bid(s) for the construction of the Authorized Facilities, as determined by JMC.

(d) JMC shall require, and the specifications and bid and contract documents shall require, all such contractors 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 such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Authorized Facilities which they will construct in conformance with the City's standard procedures and requirements. JMC shall cause the Authorized Facilities to be constructed in an expeditious manner so that construction of all such Authorized Facilities financed with the first series of bond proceeds shall be completed by July 1, 2002, or such other date as the City and JMC may agree to; provided, however, that the construction of the Authorized Facilities shall proceed and be completed so that the proceeds of any series of Bonds may be expended for the construction or acquisition of the Authorized Facilities within three (3) years from the date of their issuance.

Section 7. Payment; Cost Overruns; Shortfalls. The City and JMC agree that it is in their mutual best interest for JMC to design, construct and/or pay for the Authorized Facilities with the understanding that the City shall acquire from JMC and reimburse JMC for those portions of the Authorized Facilities designed, constructed and/or paid for by JMC from the proceeds of the sale of the Bonds and from special tax revenues that may be collected in advance of such sale of Bonds or in excess of the amount required to service such Bonds. All portions of the Authorized Facilities not acquired with the proceeds of the Bonds and from special tax revenues, shall nonetheless be constructed by JMC, as required by the Project Approvals. All cost overruns in the design and construction of and payments for the Authorized Facilities shall be the responsibility of JMC. Subject to the reasonable approval of the City, all said cost overruns, including change orders, shall be eligible for reimbursement from the City from proceeds of excess special taxes as provided in section 15 herein. Any cost savings achieved in an element of any of the Authorized Facilities constructed in whole or in part with the proceeds of the sale of the Bonds shall be available for reimbursement to JMC for other Authorized Facilities.

Section 8. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Authorized Facilities to be constructed by JMC for acquisition or reimbursement therefor 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. JMC and its contractors shall cooperate in every 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 and every such Authorized Facility. Upon completion of the construction of an Authorized Facility, either in its entirety, or a segment or phase, as shown on Exhibit "A" by JMC, 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 JMC and the City and such certifications as the City may require, that the requirements of Section 6 hereof have been satisfied, the City shall notify JMC in writing that the construction of the Authorized Facility, segment or phase has been satisfactorily completed; provided, however, that JMC, not the City, shall be responsible for determining satisfaction of requirements of other public agencies with respect to the Authorized Facilities. Upon receiving such notification of a completed Authorized Facility, JMC shall forthwith file with the County Recorder of the County of Placer a Notice of Completion pursuant to the provision of Section 3093 of the California Civil Code. JMC shall furnish to the City a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Records. The costs incurred by the City in inspecting and approving the construction of the bond financed Authorized Facilities shall be paid from Available Construction Proceeds or, if Available Construction Proceeds have been exhausted, then by JMC.

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, JMC 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 the Authorized Facilities (or approved segment or phase thereof, as shown on Exhibit "A" hereof) constructed by JMC 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 obligation or construction of each Authorized Facility, segment or phase by JMC for acquisition and/or reimbursement thereof by the City, the City, through its Finance Director, shall determine the Acquisition Price (or in the case of a reimbursement, the reimbursement amount, which hereinafter is included in the term "Acquisition Price") to be paid by the City for the acquisition of the completed Authorized Facility, segment or phase from JMC. The Acquisition Price for each Authorized 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 JMC with its contractors, and suppliers, in accordance with standards and procedures therefor as prescribed by the City. JMC shall furnish to the City such proof of the amounts which JMC contends should be included in the Acquisition Price for a completed Authorized 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 Authorized Facility, segment or phase in form satisfactory to the City. The City shall have seven (7) business days from receipt of a payment claim from JMC to determine the Acquisition Price. The determination of the City as to the Acquisition Price for a completed Authorized Facility, segment or phase shall be final.

Upon determining the Acquisition Price for a completed Authorized Facility, segment or phase, the City shall promptly notify JMC in writing of such Acquisition Price. Upon presentation by JMC to the City of such documents, including lien releases, as the City shall require as to the completed Authorized Facility, segment or phase, the City shall, within seven (7) business days thereafter, pay from the Available Construction Proceeds, or available Special Tax Revenues the amount of the Acquisition Price for the completed Authorized Facility, segment or phase, but in the case of a completed Authorized Facility less a retention of 150% of the value of "Punch List" work not completed. Upon payment and acceptance of the Acquisition Price for each completed Authorized Facility, segment or phase, JMC shall have no further claim for payment from the City with respect to the retentions. The City shall hold the retention amount on all Authorized 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 Authorized Facilities, segment or phase unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication.

Until an Authorized Facility is acquired by the City, JMC shall maintain it, and shall transfer it to the City free of any liens and in good operating condition. Upon the acquisition of an Authorized Facility by the City, 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. JMC 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 Authorized Facilities to be constructed by JMC 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. JMC 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 Authorized Facilities to be constructed by JMC for acquisition by the City prior to the time the City accepts the Authorized Facilities, whether or not such Authorized Facilities are to be acquired with bond proceeds. JMC shall procure and provide, until construction of all of the Authorized Facilities to be constructed by JMC 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 Authorized Facility, JMC shall provide the City with a certification of insurance and endorsement as to such insurance, in a form acceptable to the City, and JMC shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

JMC shall also furnish to the City, prior to commencing the construction of any Authorized Facility to be constructed by JMC for acquisition by the City, a certificate of insurance evidencing that JMC 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 JMC in connection with the design and construction of the Authorized Facilities. JMC shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Authorized 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. JMC 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.

Within thirty (30) days of the date of this Agreement, and thereafter, upon the execution of each contract with each person, firm or corporation with whom JMC contracts in connection with the design and construction of the Authorized Facilities, and prior to permitting any such person, firm or corporation to commence, or continue, work under such contract, as applicable, JMC shall provide to the City a certificate from the insurance provider 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 or allowed to lapse without 30 days written notice to the City.

The premiums paid by JMC for the insurance required by this Section may be included in the Acquisition Price to be paid by the City for the Authorized Facilities to be constructed by JMC as an incidental cost.

Section 12. Ownership of Facilities. Notwithstanding the fact that some of the Authorized Facilities, segments or phases to be constructed by JMC 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, District or Public Utility, such Authorized Facilities, segments or phases shall be and remain the property of JMC, and JMC 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 JMC shall likewise not be affected by any agreement which JMC may enter into with the City pursuant to the provisions of the Subdivision Map

Act, Section 66410 et seq. of the California Government Code, which may contain or include provisions with respect to the construction and ownership of Authorized Facilities which may seem to be contradictory to the provision of this Agreement, and the provisions of this Section shall control.

Section 13. Improvement Security. Notwithstanding the provisions of this Agreement, JMC shall be required to agree to construct and to secure the construction and completion of construction of the Authorized Facilities, or portions thereof, as a condition precedent to the approval of final 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 JMC 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 Authorized Facilities to be constructed or acquired with the proceeds of the sale of the Bonds.

All subdivisions and performance bonds shall provide, inter alia, that the principal thereof, whether that be JMC or its contractor(s), guarantees that the completed Authorized Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one (1) 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 from 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 JMC fails to expeditiously prosecute the construction of the Authorized Facilities to be constructed by JMC for acquisition by the City, the City shall have the right and may elect to take over the construction of such Authorized Facilities, or any part thereof, if it determines it is necessary for it to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify JMC in writing that if JMC does not satisfy the City that construction is proceeding expeditiously on the construction of the Authorized Facility within 30 days after receipt of such notice, the City will take over the construction of such Authorized Facilities. If after receiving such a written notification JMC does not satisfy the City that it is proceeding expeditiously to construct that portion of the Authorized Facilities identified in the written notification to the satisfaction of the City, within 30 days from the date of receipt thereof, JMC shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Authorized Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the only sources of funds to be utilized by the City for the construction of any such Authorized Facilities shall be (i) the proceeds of the sale of the Bonds and any available Special Tax Revenues, (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 Authorized Facilities, (v) JMC's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by JMC, and (vii) JMC'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 the Authorized Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Authorized 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 Authorized Facilities and charge JMC, JMC's bond or any contractor's bond for the costs thereof.

Section 15. JMC Responsibility for Improvements Required by Conditions of Approval

If the bonds are not sold in an aggregate principal amount sufficient to design, construct or acquire all of the Authorized Facilities or reimburse JMC for payment of the cost of any Authorized Facility, JMC shall nevertheless construct and dedicate to the City the Authorized Facilities required by the Specific Plan Development Agreement, and the City may require such assurances of performance as the City deems appropriate. The parties anticipate that a shortfall will occur between: (a) the anticipated cost of the Authorized Facilities as determined from the actual construction and design contracts and related invoices therefor and the actual costs of all other Authorized Facilities, and (b) the amount of construction funds anticipated to be generated from the sale of bonds (hereafter referred to as the "Gap Shortfall.") To cover such Gap Shortfall, JMC agrees with the City to: (1) waive its right to payment from the Bond proceeds for the portion of Authorized Facilities cost incurred by JMC equal to the actual Gap Shortfall, and (2) defer such payment until the District can impose and collect special taxes in excess of the amounts required to pay required debt service and City administration costs associated therewith. In consideration of such deferral of payment of the Acquisition Price, City covenants to assess the special tax against all properties within the District at the maximum rate permitted under the District, commencing with the levy of special taxes required to service the bonds after the planned interest reserve therefore, if any, has been exhausted, and to pay to JMC on an annual basis (commencing on the first day of the next succeeding month following the satisfactory completion of or payment for, the Authorized Facilities described in Item Nos. 1 through 8, inclusive, on Exhibit "A" hereto), payments towards such deferred Acquisition Price until the actual Gap Shortfall plus accrued interest is paid in full. The method described herein of funding authorized facilities from accumulated special tax revenues is known as the "Pay-As-You-Go" method of funding. Regardless of who pays the cost for any authorized facilities (except for payment for the Authorized Facilities described in Item No. 9 on Exhibit "A" hereto), the payment of the Gap Shortfall hereunder shall be personal to JMC, shall not run with the land, and shall not be assigned by JMC without the written consent of the City, which shall not be unreasonably withheld. Any funding of City and County Development Impact Fees (Item No. 9 on Exhibit "A") from bond proceeds shall create credits against such fees which will run with the land designated by JMC to be the recipient of such credits. Payment of that portion of the Acquisition Price which represents approved cost overruns as described in Section 7 above, shall be paid to JMC from excess special tax proceeds only after the Gap Shortfall has been paid in full. The Gap Shortfall and the portion of the Acquisition Price which represents approved cost overruns as described in Section 7 above shall accrue simple interest calculated from the first day of the next succeeding month following the date that each reimbursement submittal is made by JMC for costs related to the Authorized Facilities for which payment otherwise would have been made from bond proceeds in the absence of such Gap Shortfall. Provided, the parties agree that Bond proceeds shall first be exhausted prior to payment by JMC for any such costs. Upon the first payment by JMC (after exhaustion of available Bond proceeds), the rate of interest to be paid for purposes of all deferred payments described above shall be fixed as of the date of such first payment by JMC, at the prime rate in effect as of said date as published in the Money Rates section of The Wall Street Journal plus two percent (2%) per annum. The resulting interest rate shall be applied monthly on a 30/360 basis, by taking the ratio of the annual interest rate over a 360-day year, multiplied by the number of days the principal balance has been outstanding for the month. For example, if the stated annual interest rate

is 7% (prime rate of five percent, plus two percent), and a principal balance of \$100,000 has been outstanding for 15 days, the accrued interest for the month would total \$291.67, calculated as  $[(7\%/360 \times 15) \times \$100,000 = \$291.67]$ . Notwithstanding any provisions of this Section 15 or this Agreement to the contrary, the parties agree that Item No. 9 on Exhibit "A" (City and County Development Fees) will not be eligible for Pay-As-You-Go Funding and will only be eligible for funding from bond proceeds. However, interest earnings on bond proceeds specifically set aside for the payment of City and County Development Fees shall be used solely to acquire from JMC, and otherwise pay JMC for, the Authorized Facilities and any cost overruns thereto.

Section 16. Construction of Other Facilities. JMC shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Authorized Facilities, which are necessary to the development of the Specific Plan 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 Authorized Facilities. The provisions of this Section shall not supersede those of any other agreement between JMC and the City.

Section 17. Termination. If for any reason the City is unable to sell the Bonds, this Agreement shall not become effective.

Section 18. 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 so 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 19. Assignment. JMC 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 JMC under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of JMC hereunder shall not be unreasonably withheld.

Section 20. Prompt Action. All consents, approvals and determinations required of either the City or JMC pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

Section 21. 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 JMC. 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 Authorized 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: 

Allen E. Johnson  
City Manager

**JOHN MOURIER CONSTRUCTION,  
INC., a California corporation**

By: 

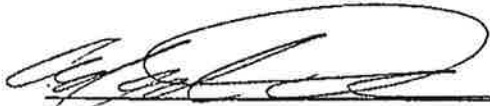
Name: JOHN L. MOURIER, III  
Title: PRESIDENT

ATTEST:



Carolyn Parkinson  
City Clerk

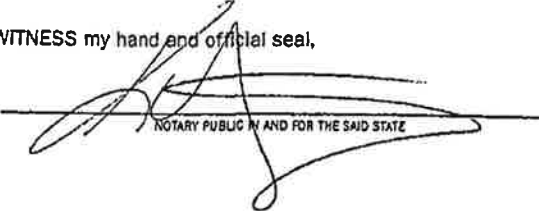
APPROVED AS TO FORM:

  
Mark J. Doane  
City Attorney

**ALL-PURPOSE ACKNOWLEDGMENT**

STATE OF California  
COUNTY OF Placer }

On February 6, 2002 before me, Karen Headley  
personally appeared John L. Mowbray 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.



CITY COUNCIL OF THE CITY OF ROSEVILLE

ORDINANCE NO. 3808

ORDINANCE OF THE CITY COUNCIL  
OF THE CITY OF ROSEVILLE LEVYING A SPECIAL TAX  
WITHIN CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1

The City of Roseville (the "City") ordains:

1. Pursuant to Government Code Sections 53328 and 53340, and in accordance with the Rate and Method of Apportionment of Special Tax (the "Special Tax Formula") as shown in Exhibit C to the Resolution of Formation of Community Facilities District and to Levy a Special Tax in Crocker Ranch Community Facilities District No. 1 ("Resolution of Formation" No. 02-53 adopted by this City Council on February 6, 2002), a special tax is hereby levied on an taxable parcels within Crocker Ranch Community Facilities District No. 1 (the "District") for the 2001-02 tax year and for all subsequent years of the authority to levy this special tax.
2. The City Director of Finance is directed, with the aid of the appropriate officers and agents of the City, to implement the provisions of the Special Tax Formula and to prepare each year, without further action of this City Council, the special tax roll for the District and to provide as necessary information to the Placer County Auditor in the form, and in the proper time, necessary to effect the proper billing and collection of the special tax on the secured property tax roll of the County; except, that pursuant to the Resolution of Formation, the special tax for fiscal year 2002-03 may be billed directly by the City Director of Finance and need not be collected on the County secured property tax roll.
3. The appropriate officers and agents of the City and of the County of Placer are authorized to make adjustments to the special tax roll prior to the final posting of the special taxes to the County tax roll each year, as may be necessary to achieve a correct match of the special tax levy with the assessor's parcel numbers finally utilized by the County in sending out property tax bills.
4. The City agrees that the County of Placer may deduct its reasonable and agreed charges for collecting the special tax from the amounts collected, prior to remitting the balance of the special tax collections to the City.
5. Taxpayers who have requested changes or corrections of the special tax pursuant to Section 8 of the Rate and Method of Apportionment of the Special Tax and who are not satisfied with the decision of the City Director of Finance (whether the City Director of Finance simply disagrees with the taxpayer or feels the city staff is not authorized to consider the change requested), may appeal to the City Council. The appeal must be in writing and fully explain the grounds of appeal. Appeals must be based on the correction of mistakes in the levy based upon the status of the property. The office of the City Director of Finance shall schedule the appeal for consideration within a reasonable time at a City Council meeting.

City of Roseville  
City Council

City of Roseville  
City Council

City of Roseville

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

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.

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 6th day of February, 2002 and was passed and adopted at a regular meeting of the City Council of the City of Roseville on the 20th day of February, 2002.


AYES: Councilmembers Earl Rush, Richard Roccucci, Gina Garbolino, Rocky Rockholm  
Claudia Gamar  
NOES: Councilmembers None  
ABSTAIN: Councilmembers None  
ABSENT: Councilmembers None

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

The foregoing instrument is a correct copy of the original on file in the City Clerk's Department.

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

\_\_\_\_\_  
DEPUTY CLERK

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 01-477

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF ROSEVILLE  
APPROVING BOUNDARY MAP OF  
CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1

The City Council of the City of Roseville resolves:

1. A map entitled "Proposed Boundary Crocker Ranch Community Facilities District No. 1, City of Roseville, Placer County, California" has been filed with the City Clerk.
2. This Council approves the map and adopts the boundaries shown on the map as describing the extent of the territory included in a proposed community facilities district ("CFD") to be known as Crocker Ranch Community Facilities District No. 1, City of Roseville, Placer County, California.
3. This Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code.
4. This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to record, or cause to be recorded, said map of the boundaries of the CFD in the office of the County Recorder within fifteen days of the date of adoption of this Resolution, but in any event at least fifteen days prior to the public hearing regarding formation of the CFD.
5. This Resolution shall take effect from and after its adoption.

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 19th day of September, 2001 by the following vote of the City Council:

AYES: COUNCILMEMBERS Richard Roccucci, Gina Garbolino, Rocky Rockholm, Claudia Gamar  
NOES: COUNCILMEMBERS None  
ABSENT: COUNCILMEMBERS Earl Rush  
ABSTAIN: COUNCILMEMBERS None

  
Mayor

REC'D SEP 27 2001

ATTEST:

  
City Clerk of the City of Roseville



CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 02-52  
RESOLUTION APPROVING FUNDING, CONSTRUCTION  
AND ACQUISITION AGREEMENT IN CONNECTION WITH  
CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1

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

1. As a part of the proceedings in Crocker Ranch Community Facilities District No. 1 (the "District"), this City Council hereby approves a Funding, Construction and Acquisition Agreement (the "Agreement") by and between the City of Roseville and John Mourier Construction, Inc., the form of which is attached hereto. The purpose of the Agreement is to provide for the establishment of the District, the acquisition of certain public facilities, payment for certain public services benefiting the property in the District, the issuance and sale of the bonds for the District financing, including incidental expenses, and to provide the terms of any reimbursement to owners of land within the District.

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 District, 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.

PASSED AND ADOPTED by the City Council of the City of Roseville this 6th day of February, 2002, by the following vote on roll call:

AYES: Councilmembers: Earl Rush, Richard Roccucci, Rocky Rockholm

NOES: Councilmembers: None

ABSTAIN: Councilmembers: None

ABSENT: Councilmembers: Gina Garbolino, Claudia Gamar

  
Mayor

ATTEST:

  
City Clerk

## EXHIBIT A

### CITY OF ROSEVILLE CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1 RATE AND METHOD OF APPORTIONMENT

---

#### 1. BASIS OF SPECIAL TAX LEVY

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the Crocker Ranch Community Facilities District No. 1 (the "CFD") of the City of Roseville (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

#### 2. DEFINITIONS

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

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

"**Annual Costs**" means for each Fiscal Year for the CFD, the total of 1) Debt Service; 2) Administrative Expenses and County fees; 3) any amounts needed to replenish bond reserve funds and to pay for delinquencies in Special Taxes for the previous Fiscal Year or anticipated for the current year, and 4) any pay-as-you-go expenditures for authorized facilities.

"**Anticipated Construction Proceeds**" means \$13,750,000 as adjusted annually after the Base Year in accordance with the Engineering News Record Building Cost Index.

"**Base Year**" means Fiscal Year ending June 30, 2002.

"**Benefit Share**" means the Maximum Annual Special Tax for a Parcel divided by the Maximum CFD Revenue.

"**Bond Indenture**" means the indenture or other financing documents pursuant to which bonds are issued.

"**Bond Share**" means the Benefit Share for a Parcel multiplied by the total Outstanding Bonds.

"**Bond Year**" means the twelve (12) month period ending on the second bond payment date of each calendar year as defined in the Bond Indenture.

"**CFD**" means the Crocker Ranch Community Facilities District No. 1 of the City of Roseville.

"**City**" means the City of Roseville, California.

"**Council**" means the City Council of the City of Roseville as the legislative body for the CFD under the Act.

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

"**County Assessor's Parcel**" means the Parcel and Parcel number as recorded by the County Assessor on the equalized tax roll.

"**Crocker Ranch**" means the Crocker Ranch Community Facilities District No. 1 of the City of Roseville.

"**Debt Service**" means the total amount of bond principal, interest, and scheduled sinking fund payments for the Bond Year commencing in a Fiscal Year.

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

<u>Land Use</u>	<u>Development Approval</u>
Single Family Residential	- Final Subdivision Map
Other Taxable Land Uses	- Building Permit

"**Final Subdivision Map**" means a recorded map designating the final Parcel splits for individual single family residential Parcels. A Large Lot Subdivision Map for single family residentially zoned land is not considered a Final Subdivision Map for purposes of levying the Special Tax.

"**Final Use Parcel**" means a Parcel with a residential structure and a certificate of occupancy permit and is owned by an individual owner other than the builder. A Final Use Parcel may also be a custom residential lot without a residential structure that is owned by an individual property owner.

"**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 the following June 30.

"**Full Prepayment**" means the Prepayment of a Parcel's entire Maximum Annual Special Tax obligation prior to the termination of Special Taxes for the CFD as a whole.

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

"**Large Lot Number**" means the designation for Large Lot Parcels in the CFD as shown on **Map 1**. The Maximum Annual Special Tax is assigned to each Large Lot Parcel, which is identified by the Large Lot Number, at CFD formation as shown in **Attachment 1**.

"**Large Lot Parcel**" means the planned Large Lot Parcels by land use as identified in the North Roseville Specific Plan Phase II and Phase III, or Parcels subsequently created by Large Lot Subdivision Maps.

"**Large Lot Subdivision Map**" means a recorded map delineating Parcels by land use and providing an opportunity to transfer ownership of the delineated Parcels.

"**Maximum Annual Special Tax**" means the greatest amount of Special Tax that can be levied against a Taxable Parcel in any Fiscal Year.

"**Maximum CFD Revenue**" means the sum of the Maximum Annual Special Tax for all of the Taxable Parcels in the CFD. The Maximum CFD Revenue shall be \$1,686,996. This amount may be adjusted by Resolution of City Council to reflect the actual Maximum Annual Special Tax for all Taxable Parcels.

"**Outstanding Bonds**" means the total principal amount of bonds that have been issued by the CFD and not retired or defeased.

"**Outstanding Bond Share**" means the amount calculated for a Parcel to prepay the Special Tax obligation for the CFD. This amount is derived by subtracting the Reserve Fund Share from the Bond Share, and adding to that result any costs associated with the redemption of bonds, further delineated in Section 7, Step A.5.

"**Parcel**" means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County.

"**Pay-As-You-Go**" means funding for authorized facilities from accumulated special tax revenues.

"**Planned Unit**" means the number of single family residential lots or parcels estimated to be created by a Final Subdivision map for each Large Lot Parcel shown **Attachment 1**.

"**Prepayment**" means the full payment of Maximum Annual Special Taxes prior to the termination of Special Taxes for the CFD as a whole.

"**Public Parcel**" means any Parcel that is (1) publicly owned, and (2) is normally exempt from the levy of general *ad valorem* property taxes under California law, including public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

"**Reserve Fund**" means the total amount held in the bond reserve funds by the City for all Outstanding Bonds.

"**Reserve Fund Share**" means the lesser of (i) the reserve requirement on all Outstanding Bonds, or (ii) the Reserve Fund balance on all outstanding bonds, multiplied by the Benefit Share for a given Parcel.

"**Special Tax(es)**" mean(s) any tax levy under the Act in the CFD as defined by the Annual Costs and as levied pursuant to Section 6 herein.

"**Subdivision**" means one or more Parcels created through the Subdivision Map Act process.

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

"**Tax Zone 1**" means that area so designated on **Map 1**, located in the CFD south of the North Branch of Pleasant Grove Creek.

"**Tax Zone 2**" means that area so designated on **Map 1**, located in the CFD north of the North Branch of Pleasant Grove Creek.

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

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (1) Public Parcels identified at the formation of the CFD or created by Subdivision of a Parcel, and (2) any Parcel that has prepaid its Special Taxes under Section 7 hereof.

"**Undeveloped Parcel**" means any Taxable Parcel that is not a Developed Parcel or a Large Lot Parcel.

### **3. DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX**

The Finance Director shall prepare a list of the Parcels subject to the Special Tax using the records of the County Assessor and the City's own records. The City shall identify the Taxable Parcels from a list of all Parcels within the CFD using the procedure described below.

- 1) Exclude all Tax-Exempt Parcels.
- 2) The remaining Parcels are subject to the Special Tax according to the formula detailed below.

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

### **4. TERMINATION OF THE SPECIAL TAX**

The Special Tax will be levied for as long as is needed to pay the principal and interest on debt incurred in order to construct the authorized facilities and to pay the Annual Costs. However, in no event shall the Special Tax be levied after Fiscal Year 2035-2036.

When all Annual Costs incurred by the CFD have been paid, the Special Tax shall cease to be levied. The Council shall direct the City Clerk to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

## 5. ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAXES

By August 1 of each Fiscal Year, using the Definitions from Section 2 and the Maximum Annual Special Tax rates from **Attachment 1**, the Finance Director shall assign the Maximum Annual Special Taxes to Parcels as follows:

1. Classify each Taxable Parcel as a Developed Parcel, Large Lot Parcel, or an Undeveloped Parcel. Taxable Parcels are further classified as being located in Tax Zone 1 or Tax Zone 2, as shown on **Map 1**.
2. The assignment of the Maximum Annual Special Tax to Taxable Parcels is as follows:
  - a) Developed Parcels - the Maximum Annual Special Tax for all Developed Parcels is assigned using **Attachment 1**. Each Large Lot Parcel shown in **Attachment 1** is assigned a number of Planned Units and an assigned Maximum Annual Special Tax. As Large Lot Parcels are subdivided, the Maximum Annual Special Tax is allocated to Developed Parcels using the following steps.
    - 1) If a Large Lot Parcel shown in **Attachment 1** is subdivided with no remainder parcel, divide the Maximum Annual Special Tax for the Large Lot Parcel by the number of small lot residential Parcels created by the Final Subdivision Map to arrive at the Maximum Annual Special Tax for each Taxable Parcel created.
    - 2) If a Large Lot Parcel is subdivided creating small lot residential Parcels and a remainder Parcel, perform the following steps.
      - (i) Assign the Maximum Annual Special Tax per Planned Unit shown for the Large Lot Parcel in **Attachment 1** to each small lot residential Parcel.
      - (ii) Subtract the number of small lot residential Parcels created by the Final Subdivision Map from the Planned Units for the Large Lot Parcel. Assign the resulting number of Planned Units to the remainder Parcel. If more than one remainder Parcel is created in the subdivision of a Large Lot Parcel, the Planned Units will be assigned to the remainder Parcels based on the development potential of each remainder Parcel.

- (iii) Multiply the Estimated Maximum Annual Special Tax Rate by the number of Planned Units assigned to the remainder Parcel(s) to derive the Maximum Annual Special Tax for the Parcel(s).
- 3) If a Large Lot is developed as other than a single family residential use, the Maximum Annual Special Tax for the Parcel at Developed Parcel status is the Maximum Annual Special Tax for the Large Lot Parcels as shown in **Attachment 1**, or the Maximum Annual Special Tax calculated for remainder Parcels in Step 2) above.
- b) Large Lot Parcels - the Maximum Annual Special Tax for all Large Lot Parcels is assigned using **Attachment 1**. A remainder Parcel that is created in Step 5.2.a) 2) above will be considered a Large Lot Parcel.
- c) Undeveloped Parcels - the Maximum Annual Special Tax for an Undeveloped Parcel is calculated by multiplying the Gross Acreage by the Maximum Annual Special Tax Rate for Undeveloped Parcels shown on **Attachment 1**.
- d) Conversion of a Tax-Exempt Parcel to a Taxable Parcel - if a Parcel designated as a Public Parcel is not needed for public use and is converted to a private use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for each such Parcel shall be set equal to the average Maximum Annual Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.
- e) Taxable Parcels Acquired by a Public Agency - A Taxable Parcel acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel within the CFD is relocated to a Taxable Parcel, the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel, and the Maximum Annual Special Tax from the previously Taxable Parcel is transferred to the newly Taxable Parcel. This trading of Parcels will be permitted to the extent that there is no net loss in Maximum CFD Revenue.

## 6. SETTING THE ANNUAL SPECIAL TAX LEVY

The Special Tax levy for each Taxable Parcel will be established annually as follows:

- 1) Compute the Annual Costs using the definitions in Section 2.
- 2) Calculate the Special Tax for each Parcel as follows:
  - Step 1: Compute the Annual Costs using the definition of Annual Costs in Section 2.

- Step 2: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels in Tax Zone 1 and Tax Zone 2 by summing the Maximum Annual Special Tax for each Taxable Parcel.
  - Step 3: Compare the Annual Costs with the Maximum Annual Special Tax Revenue from Developed Parcels calculated in the previous step.
  - Step 4: If the Annual Costs are less than or equal to the Maximum Annual Special Tax Revenue, levy a proportional amount of the Special Tax on each Developed Parcels in Tax Zone 1 and Tax Zone 2 to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Developed Parcels.
  - Step 5: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels in Tax Zone 1 and Tax Zone 2, levy the Maximum Annual Special Tax on each Large Lot Parcel in Tax Zone 1 to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Large Lot Parcels in Tax Zone 1.
  - Step 6: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels in Tax Zone 1 and Tax Zone 2 and Large Lot Parcels in Tax Zone 1, levy the Maximum Annual Special Tax on each Large Lot Parcel in Tax Zone 2 to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Large Lot Parcels in Tax Zone 2.
  - Step 7: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels in Tax Zone 1 and Tax Zone 2, and Large Lot Parcels in Tax Zone 1 and Tax Zone 2, levy the Maximum Annual Special Tax on each Undeveloped Parcel in Tax Zone 1 to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Undeveloped Parcels in Tax Zone 1.
  - Step 8: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels in Tax Zone 1 and Tax Zone 2, Large Lot Parcels in Tax Zone 1 and Tax Zone 2, and Undeveloped Parcels in Tax Zone 1, levy the Maximum Annual Special Tax on each Undeveloped Parcel in Tax Zone 2 to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Undeveloped Parcels in Tax Zone 2.
- 3) Prepare the Tax Collection Schedule for each Parcel and send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the following

Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

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

As development and subdivision of the Crocker Ranch takes place, the Finance Director will maintain a file of each current assessor's parcel number within the CFD, its Maximum Annual Special Tax, and the authorized Maximum Annual Special Tax on all Parcels within the CFD available for public inspection. This record shall show the Maximum Annual Special Tax on all Developed, Large Lot, and Undeveloped Parcels and a brief description of the process of assigning the Special Tax each time a Parcel was created by a Subdivision, including any adjustments due to change in use. The record will also indicate whether a Parcel is a Prepayment Parcel.

## **7. PREPAYMENT OF SPECIAL TAX OBLIGATION**

With a Prepayment, a landowner may satisfy all of the Special Tax obligation on any given Parcel:

Landowners may permanently satisfy all of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The Parcel is either (i) a whole Specific Plan Parcel greater than one acre, or (ii) a Final Use Parcel.
- The City determines that the Prepayment of the Special Tax obligation does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent Special Taxes and penalties for the prepaying Parcel.

The Full Prepayment amount shall be established by following the steps in Part A and B, and transfers from the Reserve Fund for a Full Prepayment are described in Part C below.

### Part A: Prepayment of Outstanding Bond Share

Step A.1: Determine the Maximum Annual Special Tax for the Parcel based on the assignment of the Maximum Annual Special Tax described in Section 5 above.

- Step A.2: Determine the Benefit Share by dividing the Maximum Annual Special Tax determined in Step A.1 by the Maximum CFD Revenue for all Parcels in the CFD.
- Step A.3: Determine the Bond Share for the Parcel by multiplying the Benefit Share from Step A.2 by the total amount of Outstanding Bonds issued by the CFD.
- Step A.4: Calculate the Reserve Fund Share associated with the Bond Share determined in Step A.3 and reduce the Bond Share by the amount of the Reserve Fund Share. The Reserve Fund Share is equal to the reserve requirement on all outstanding bonds multiplied by the Benefit Share. At the City's discretion, the Reserve Fund Share may be withheld from the Prepayment calculation and refunded to the Prepaying landowner at the time that bonds are
- Step A.5: Determine the Outstanding Bond Share by adding to the amount calculated in Step A.4 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, and expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

Part B. Remaining Facility Cost Share

- Step B.1: Determine the Total Facility Cost Share for the Parcel by multiplying the Benefit Share from Part A, Step A.2 above by the Anticipated Construction Proceeds.
- Step B.2: Determine the share of facilities funded by bonds already issued by the CFD for the Parcel by multiplying the Benefit Share by the construction proceeds made available from all such bonds issued by the CFD. These amounts shall be adjusted to the year of Prepayment by using the Engineering News Record Construction Cost Index.
- Step B.3: Determine the share of facilities already funded with Special Tax revenues on a pay-as-you-go basis by multiplying the Benefit Share by the total amount of pay-as-you-go funding used to acquire authorized facilities.
- Step B.4: Determine the Remaining Facility Cost Share for the Parcel by subtracting the results from Steps B.2 and B.3 from the Total Facility Cost Share determined in Step B.1. (Notwithstanding the above, once the City has funded all authorized CFD facilities issued all bonds for the CFD, the remaining facility cost share shall be set to zero for purposes of this prepayment calculation.)
- Step B.5: The Bond Authorization for the CFD shall be reduced by an amount equal to the amount determined in Step B.4 multiplied by a factor of 1.15.
- Step B.6 Combine the amount from Part A Step A.5 with the amount from Part B Step B.4 to arrive at the Full Prepayment amount.**

Part C: Transfers

Make the appropriate transfers from the Reserve Fund to the prepayment fund, as follows:

Step C.1: Transfer the amount of the Reserve Fund Share.

**8. ADMINISTRATIVE CHANGES AND APPEALS**

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

Any taxpayer that feels that the amount of the Special Tax assigned to a parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, a recommendation at that time will be made to the City Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

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

**9. MANNER OF COLLECTION**

The Special Tax will be collected in the same manner and at the same time as *ad valorem* property taxes; provided, however, that the City or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.

**Attachment 1**  
**City of Roseville**  
**Crocker Ranch CFD No. 1**  
**Maximum Annual Special Tax By Large Lot Number**

Large Lot Number	Assessor's Parcel Number	Planned Units	Estimated Maximum Annual Special Tax Rate [1]	Maximum Annual Special Tax
			<i>Per Planned Unit</i>	
W-1	017-114-082	35	\$1,740	\$60,900
W-2	017-114-083	36	\$1,740	\$62,640
W-3A	por. 017-114-084	112	\$1,740	\$194,880
W-3B	por. 017-114-084	36	\$1,536	\$55,296
W-4	017-114-085	112	\$1,740	\$194,880
W-5	017-114-086	48	\$1,740	\$83,520
DR-1	por. 017-114-028	45	\$1,344	\$60,480
DR-2	por. 017-114-028	72	\$1,536	\$110,592
DR-3	por. 017-114-028	306	\$1,536	\$470,016
DR-4	por. 017-114-028	293	\$1,344	\$393,792
DR-50	por. 017-114-028	0	<i>Exempt</i>	\$0
W-50	017-114-087	0	<i>Exempt</i>	\$0
W-51	017-114-088	0	<i>Exempt</i>	\$0
W-52	017-114-089	0	<i>Exempt</i>	\$0
W-53	017-114-090	0	<i>Exempt</i>	\$0
W-80	017-114-091	0	<i>Exempt</i>	\$0
W-81	017-114-092	0	<i>Exempt</i>	\$0
W-82	017-114-089	0	<i>Exempt</i>	\$0
W-83		0	<i>Exempt</i>	\$0
<b>Totals</b>		<b>1,095</b>		<b>\$1,686,996</b>
			<i>Per Gross Acre</i>	
<b>Undeveloped Parcels</b>			<b>\$7,400</b>	

"att\_1"

[1] Estimated Maximum Annual Special Tax Rate per unit is calculated by dividing the Maximum Annual Special Tax by the number of Planned Units. The Maximum Annual Special Tax per unit will be calculated by dividing the Maximum Annual Special Tax by the actual number units created by a final map. If fewer units are created than estimated in this table, the Maximum Annual Special Tax per unit will increase unless the Special Tax is transferred pursuant to provisions of Section 5.2.

**EXHIBIT B**

**Incidental Expenses and Bond Issuance Costs**

**CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1  
CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA**

It is anticipated that the following incidental expenses may be incurred in the proposed financing:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services and expenses
- Disclosure counsel services and expenses
- Independent financial advisor services
- Appraiser services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
- Publishing, mailing and posting of notices
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Special disclosure services
- Rating agency fees

Certain annual costs may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel costs of the City
- Arbitrage rebate
- Rating agency fees

# EXHIBIT C

## Crocker Ranch Community Facilities District No. 1

City of Roseville, California

### LIST OF AUTHORIZED FACILITIES

---

Authorized facilities that may be funded through the CFD include the following public improvements:

#### **Transportation Improvements**

Authorized facilities include the following transportation-related improvements:

- Blue Oaks Boulevard;
- Crocker Ranch Road;
- Fiddymment Road;
- Casa Sedona Drive;
- Opal Drive;
- Cirby and Riverside Intersection Improvements;
- Other public roadway improvement required to meet the needs of the project.

Eligible roadway improvements include; purchase of right of way; roadway design; project management; bridge crossings, demolition, grading and paving; joint trenches and underground utilities; curbs, gutters, and sidewalks (including sidewalks on some or all of above mentioned roads); street lights (including reimbursements to the City) and signalization; intersection improvements; signs and striping; soundwalls and fencing; and median and corridor landscaping related thereto.

#### **Wastewater System Improvements**

Authorized facilities include any and all wastewater facilities designed to meet the needs of development within Crocker Ranch CFD No. 1. These facilities include sewer improvements consistent with the Master Wastewater Plan.

#### **Water System Improvements**

Authorized facilities include any and all water facilities designed to meet the needs of development within Crocker Ranch CFD No. 1. These facilities include water

distribution facilities including fire hydrants, and related water system improvements; pressure reducing stations, flow meters, and recycled water improvements.  
Landowner's fair share for the retrofit of water/irrigation system at Diamond Oaks Golf Course.

#### **Drainage System Improvements**

Authorized facilities include any and all drainage and storm sewer improvements designed to serve the needs of development within the CFD including, but not limited to pipelines and appurtenances, temporary drainage facilities, detention basins, and drainage pretreatment facilities.

#### **Electric Facilities**

Authorized facilities include on-site and off-site electric distribution facilities.

#### **Park Improvements**

Authorized facilities include any and all improvements to park facilities located in the Crocker Ranch Specific Plan, including acquisition of property and the design and construction thereof.

#### **Masonry Wall/Fencing**

Authorized facilities include masonry wall fencing along the projects' northern boundary.

#### **Contributions to City Projects**

Authorized facilities include contributions to the following public improvements including but not limited to the following items:

- construction of the Mahany Community Center and the off-site softball fields;
- contributions to a transportation study of the Riverside/Cirby intersection;
- landowners fair share for the update of the City's Bikeway Master Plan and City's short Range and Long Range Transit Mater Plans;
- Mahany Park facilities;
- Diamond Oaks Golf Course irrigation facilities;
- Other City park facilities; and
- Other Citywide facility contributions as specified in the Mourier 160 or Doctors Ranch Development Agreement(s) entered into by the Developer and the City of Roseville.

#### **City and County Development Impact Fees**

Authorized facilities included payments of City of Roseville and Placer County development impact fees including but not limited to:

- Water fees, including supplemental water fees;
- Sewer connection fees;
- Traffic mitigation fees; and

- Placer County Public Facility fee.

#### **Other Expenses**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation and environmental remediation or mitigation); construction staking; utility relocation and demolition costs incident to the construction of the public facilities, cost associated with the creation of the Mello-Roos CFD; issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities serving the Crocker Ranch project; and any other expenses incidental to the construction, completion, and inspection of the facilities.

**EXHIBIT D**  
**Property Owners and Assessor Parcel Numbers**

Owner Name	Old Assessor Parcel Numbers	New Assessor Parcel Numbers
John Mourier Construction, Inc. 1830 Vernon Street, Suite 9 Roseville, California 95678	017-114-085 017-114-086	017-115-043 017-115-055
Mourier Land Investment Corp. 1830 Vernon Street, Suite 9 Roseville, California 95678	017-114-082 017-114-083 017-114-084 017-114-028 017-114-087 017-114-088 017-114-089 017-114-090 017-114-091 017-114-092	017-115-050 017-115-049 017-115-048 017-115-002 017-115-053 017-115-054 017-115-057 017-115-056 017-115-044 017-115-052

