CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 98-184

RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN NORTH ROSEVILLE COMMUNITY FACILITIES DISTRICT NO. 1

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

1. Reference is made to Resolutions No. 97-356, No. 97-357 and No. 97-358 of this City Council adopted December 17, 1997 and Resolutions No. 98-182 and No. 98-183 of this City Council adopted June 9, 1998 for the preliminary scope of the project and financing contemplated by these proceedings.

2. This City Council has conducted the public hearing set by Resolution No. 97-358, and determines that a majority protest under Section 53324 of the Government Code was not made at the hearing.

3. There is hereby formed a community facilities district by the City of Roseville under the terms of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act").

4. The name of the community facilities district is "North Roseville Community Facilities District No. 1, City of Roseville, Placer County, California" (the "District").

5. The types of public facilities proposed to be provided within the District are set forth on Exhibit A attached to this Resolution. The types of incidental expenses proposed to be incurred by the District are set forth in Exhibit B attached to this Resolution. The City Council hereby finds that these facilities and incidental expenses are necessitated by new development occurring or anticipated within the District.

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

7. Except where funds are otherwise available, a special tax sufficient to pay for all such facilities and incidental expenses will be annually levied within the District. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property within the District, and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the special tax lien is canceled in accordance with law or until collection of the special tax by the legislative body of the City ceases. The rate and method of apportionment of the special tax is set forth in Exhibit C attached to this Resolution.

8. The boundaries of the District are shown on proposed boundary map on file with the City Clerk, which was approved by our Resolution No. 97-357 adopted December 17, 1997 and filed for record on December 30, 1997 in the Office of the County Recorder of the County of Placer as Document No. 97-0083125-00 and in Book 3, at Page 8 of the Maps of Assessment and Community Facilities District.

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

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

11. The special tax will be collected and enforced as a separate line item on the regular property tax bill. However, this City Council reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing. In particular, the City may bill the 1998-99 special taxes directly, and not post those taxes to the regular, secured property tax roll. The procedure for collection in any case when the City chooses to collect the special tax through direct billing shall be as follows:

After levy by the City Council, whether pursuant to authorizing ordinance or annual resolution, the City Director of Finance shall prepare and send to the property owners by first class U.S. Mail, at their addresses as shown on the last equalized assessment roll, a tax bill substantially in the form shown in Exhibit D, hereto, which shall specify the amount due, give instructions for payment to the City Director of Finance, state (as is hereby authorized and provided) that the first installment of the special tax (50% of the annual special tax shall be payable in each installment) shall be delinquent if not received by the City Director of Finance by the close of business on the next succeeding December 10, and the second installment shall be delinquent if not paid by the City Director of Finance by the close of business on the next succeeding April 10, shall specify (as is hereby authorized and provided) that all delinquencies shall incur an immediate 10% penalty, and an additional 1½% penalty on the first day of each month beginning with the next succeeding July 1, and shall specify (as is hereby authorized and provided) that delinquencies are subject to judicial foreclosure under the procedure set forth in §53356.1 and following of the Government Code.

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

12. This City Council hereby establishes the annual appropriations limit of the District at an amount equal to the maximum annual special tax for the 1998-98 fiscal year.

13. Based upon the Certificate of Engineer heretofore filed with this City Council, the qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

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

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PASSED AND ADOPTED by the City Council of the City of Roseville this 9th day of June, 1998, by the following vote on roll call:

AYES:	Councilmembers:	Harry Crabb, Jim Gray, Pauline Roccucci, Randy Graham, Claudia Gamar
NOES:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None
ABSENT:	Councilmembers:	None

Claudia Gamar
Mayor

ATTEST:

Carolyn Parkinson
City Clerk

EXHIBIT A - CFD Improvements
EXHIBIT B - Incidental Expenses and Bond Issuance Costs
EXHIBIT C - Rate and Method of Apportionment
EXHIBIT D - Form of Special Tax Bill

Resolution

EXHIBIT A
LIST OF NORTH ROSEVILLE CFD IMPROVEMENTS

- ROADS
  - Blue Oaks Boulevard
    - Frontage improvements on both the north and south sides of Blue Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus median landscaping.
      - Road improvements from intersection with Woodcreek Oaks Boulevard to the western plan boundary for Neighborhoods A and B, with appropriate transitions at each end.
      - Reimbursement to Del Webb for previously installed portion of improvements to Blue Oaks Boulevard.
      - City to pay cost of 10 feet of additional pavement on north side of Blue Oaks Boulevard.
      - Meandering sidewalk adjacent to the middle school site.
  - Woodcreek Oaks Boulevard
    - South of the South Branch of Pleasant Grove Creek: frontage improvements on both the west and east sides of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including frontage landscaping or sidewalks (except as otherwise provided below), plus median landscaping.
    - The west one-half of the bridge structure crossing the South Branch of Pleasant Grove Creek, and all necessary transitions to the southern improvements to Woodcreek Oaks Boulevard.
    - North of the South Branch of Pleasant Grove Creek: frontage improvements for the west side of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus 14 feet of additional pavement and a median curb for the western edge of the landscape median planned for Woodcreek Oaks Boulevard (but no other median landscaping), plus the west one-half of the bridge structure crossing the Main Branch of Pleasant Grove Creek. Streetlights on west side only, designed to meet IESRP8 lighting standards fc a residential collector.
    - Sidewalks adjacent to non-park, open space.

- Collector Streets
  - Curb, gutter, pavement, streetlights, utilities, bridges and ancillary improvements (but excluding landscaping and sidewalk, except as otherwise provided below) for the roadways identified as "Collector Streets" within the Plan Area.
    - CFD will include financing for the sidewalks adjacent to the middle school and elementary school sites and adjacent to non-park, open space.
- Intersections
  - Intersection improvements (excluding signals) for the intersection of Woodcreek Oaks and Blue Oaks Boulevards and for the intersections of the Collector Streets with such Boulevards.

- DRAINAGE
  - Master Drainage Plan.
  - Storm drain mains required by the Master Drainage Plan and laterals located within the above-described road improvements.
- WATER
  - All on-site improvements to the water system for the Plan Area, including alternative reducing stations.
- RECLAIMED WATER
  - All on-site reclaimed water line extensions from the backbone lines to be installed by City.
- SEWER
  - All on-site improvements to the sewer system for the Plan Area.
  - A portion of the cost to construct the 42" Trunk Sewer serving Neighborhood B of the Plan Area.
- ELECTRIC FACILITIES
  - All on-site and off-site electric distribution facilities for the Plan Area.
- PARKS
  - Initial park and bike trail improvements within the Plan Area.

- PLEASANT GROVE INTERCHANGE
  - $1 million at bond issuance, to be credited against the Highway 65 JPA Impact Fee.
- FIRE STATION SITE
  - $150,000 for City acquisition of a fire station site to be located outside the Plan Area boundary.
- SCHOOL SITE ACQUISITION
  - $1,852,000 for acquisition of middle school site.
  - Approximately $309,000 for acquisition of land for school sites, net of dedications, approximately $174,000 of which to be allocated to Neighborhood A (exclusive of the Eskaton project) and $135,000 to the northern half of Neighborhood B.
- MAHANY PARK COMMUNITY CENTER
  - $1,000,000 for City construction of the Mahany Park Communtiy Center, to be credited against the City's Capital Facilities Fee. (Actual proceeds to come from reimbursement to City from school district purchase of middle school site.)
- BLUE OAKS BOULEVARD MEDIAN
  - Up to $400,000 for landscaping 56-foot wide Blue Oaks Boulevard median from western Phase 1 Plan Area boundary east to Woodcreek Oaks Boulevard intersection. (Actual proceeds to come from reimbursement to City from school district purchase of middle school site.)

EXHIBIT B

Incidental Expenses and Bond Issuance Costs

NORTH ROSEVILLE 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
Bond counsel out of pocket 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 counsel
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

CITY OF ROSEVILLE
NORTH ROSEVILLE
COMMUNITY FACILITIES DISTRICT NO. 1

RATE AND METHOD OF APPORTIONMENT

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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 North Central Roseville 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 improvements; less any amounts paid to the CFD from reimbursements and/or prepaid Special Taxes as described in Section 7.

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

"Base Year" means Fiscal Year ending June 30, 1998.

"Bond Share" means the Benefit Share for a Parcel multiplied by the applicable total of outstanding bonds as specified in option 2, Step 3, of Section 7 of this Rate and Method of Apportionment.

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

"CFD" means the North Roseville 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.

"Debt Service" means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds of the City for the CFD during that Fiscal Year, less any applicable credits that may be available from any other sources and less any interest on reserve funds and other funds available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year. At the City's discretion, applicable credits may be used to: retire outstanding bonds, reimburse landowners for up-front funding of CFD facilities, or any other appropriate CFD funding purpose.

"Delinquency Coverage" means the amount of Maximum Special Tax levied in each Fiscal Year to replenish the Bond Reserve Fund or to anticipate future delinquencies based on the historical delinquency rate for the CFD or the City as whole.

"Final Subdivision Map" means a 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.

"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.

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

"Low-Income Purchase Unit" means a single-family residential unit that is designated as a low-income for-purchase unit under the provisions of the Housing section of the NRSP: The Low-Income Purchase Units designated in each Special Tax Group are:

- Special Tax Group A 43 units
- Special Tax Group B 18 units
- Special Tax Group C 40 units

"Low-Income Adjustment Factor" means a factor by which the Maximum Special Tax for a designated Low-Income Purchase Unit in Special Tax Groups A and B is multiplied to reduce the assigned Maximum Special Tax for the single-family Parcel. The adjustment factors vary by Special Tax Group, as shown below:

- Special Tax Group A 0.783
- Special Tax Group B 0.646

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied against a Taxable Parcel in any Fiscal Year. Each time a taxable parcel is subdivided, the Maximum Special Tax will be reassigned to the Successor Parcels.

"Maximum CFD Revenue" means the sum of the Maximum Special Tax for all of the Taxable Parcels in a Special Tax Group or the entire CFD.

"NRSP" means the North Roseville Specific Plan.

"Net Acre(age)" means the acreage of a parcel as shown on the final subdivision map or parcel map excluding right-of-way dedicated for streets, roads, landscaping, and other public purposes.

"Original Parcel" means a Parcel as it existed at the time of the adoption by the Council of the Resolution of Formation and as shown on Attachment 1.

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

"Partial Prepayment" means a Prepayment for less than the full portion of the Special Tax obligation for one or more Parcels.

"Partial Prepayment Factor" means a factor by which Maximum Special Tax Rates for a Partial Prepayment Parcel are multiplied to calculate adjusted Maximum Special Tax Rates. Each Partial Prepayment Factor shall be calculated according to the steps described under Section 7 hereof.

"Partial Prepayment Parcel" means a Parcel that has had a portion of its Special Tax obligation satisfied with a Prepayment under Section 7 hereof. Such Parcels shall be liable for a Special Tax Levy based on adjusted Maximum Special Tax Rates. If one or more Successor Parcels are created through the Subdivision of a Partial Prepayment Parcel, each of these Successor Parcels shall also be a Partial Prepayment Parcel. The Partial Prepayment Factor that applies to the Partial Prepayment Parcel prior to Subdivision shall apply to these Successor Parcels.

"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. These Public Parcels -- so identified at the formation of CFD -- are exempt from the levy of Special Taxes.

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

"PWD" means the Public Works Director for the City of Roseville or his or her designee.

"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.

"Special Tax Group" means a group of parcels that will be responsible for a percentage of the Annual Costs. The percentage share is equal to the total Maximum Special Taxes for a given Special Tax Group divided by the total Maximum Special Taxes for all Special Tax Groups.

"Subdivision" means a group of Successor Parcels created from an Original Parcel through the Subdivision Map Act process.

"Successor Parcel" means a Parcel created by Subdivision, lot line adjustment, or parcel map from an Original Parcel.

"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.

"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 an Original or Successor Parcel, and (2) any Parcel that has prepaid its Special Taxes under Section 7 hereof.

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 2034-2035.

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 SPECIAL TAXES

The CFD is divided into three Special Tax Groups as shown on Maps 1 and 2.
By August 1 of each Fiscal Year, using the Definitions from Section 2 and the Maximum Special Tax rates from Attachments 1 through 3, the Finance Director shall assign the Maximum Special Taxes to Parcels in each Special Tax Group as follows:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel;

2. Each Taxable Parcel to be classified as an Original Parcel, a Successor Parcel, or a Partial Prepayment Parcel.

The assignment of the Maximum Special Tax to Taxable Parcels in each Special Tax Group is as follows:

a) Partial Prepayment Parcels — the Maximum Special Tax for all Partial Prepayment Parcels is assigned by multiplying the Maximum Special Tax from Attachment 1, 2, or 3, or as otherwise calculated for a Successor Parcel, by the Partial Prepayment Factor for that Parcel.

b) Original Parcel - the Maximum Special Tax for each Original Parcel is as shown on Attachment 1 for Special Tax Group A, Attachment 2 for Special Tax Group B, and Attachment 3 for Special Tax Group C.

c) Successor Parcel - the Maximum Special Tax for each Successor Parcel is determined as follows:

(i) If the Successor Parcel is the result of a single-family residential or individually-owned residential condominium Parcel Subdivision, divide the Maximum Special Tax assigned to the Original Parcel or Successor Parcel, as calculated under (b) above or (c)(ii) below, by the number of single-family residential Parcels or residential condominium units. The result of this calculation is the Maximum Special Tax for each single-family residential or residential condominium Successor Parcel within the Subdivision.

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(ii) If the Successor Parcel is the result of a non-residential or multi-family Subdivision, or a single-family residential subdivision that is not creating final residential lots:

- calculate the percentage of the Successor Parcel's square footage to the total square footage for all Successor Parcels of that Original or Successor Parcel that are Taxable Parcels; then,

- multiply this percentage by the Maximum Special Tax assigned to the previous Original Parcel or Successor Parcel. The result of this calculation is the Maximum Special Tax.

d) Low-Income Purchase Units - If a single-family Parcel is designated as a Low-Income Purchase Unit, multiply the assigned Maximum Special Tax per single-family Parcel calculated in c) above by the Low-Income Adjustment Factor for the Special Tax Group to arrive at the adjusted Maximum Special Tax for the Low-Income Purchase Unit.

In no event shall the cumulative reductions in Maximum Special Taxes for Low-Income Purchase Units in a given Special Tax Group exceed the anticipated reductions shown on Attachments 1, 2, and 3. If the reduction for a Low-Income Purchase Unit will exceed the total reductions anticipated for a given Special Tax Group, no adjustment to the assigned Maximum Special Tax will be granted.

e) Residential Unit/Maximum Special Tax Transfer - the Maximum Special Tax assigned to a residential Parcel under (a), (b), or (c) above, may be adjusted within a Special Tax Group to reflect a change in original residential units, shown in Attachment 1, in the following manner:

1) Calculate the existing Maximum Special Tax per unit by dividing the Maximum Special Tax for the Parcel by the number of units assigned to that Parcel;

2) Calculate the total Maximum Special Tax being transferred by multiplying the number of units being transferred by the calculation in 1). Add the total Maximum Special Tax and number units being transferred to the Parcel(s) receiving the transferred units and Maximum Special Tax.

3) Subtract the total Maximum Special Tax and the number of units being transferred from step 2) from the Parcel transferring the Maximum Special Tax and the residential units.

4) If this process results in uneven Maximum Special Taxes between residential Subdivisions, the revised Maximum Special Taxes may be adjusted further to accommodate a uniform Special Tax throughout the CFD subject to the provisions below.

Such unit and Special Tax transfer will be allowed under the following conditions:

(i) any decrease in one Parcel's Maximum Special Tax assignment is offset by an equal increase in the Maximum Special Tax of other Parcels to ensure that there is no net loss in the total Maximum Special Taxes;

(ii) all adjustments are agreed to by the affected property owners and the Finance Director; and,

(iii) no transfers of units will be allowed between Special Tax Groups.

f) 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 Special Tax for each such Parcel shall be set equal to the average Maximum Special Tax per unit or acre for Parcels with similar land use designations.

g) Taxable Parcels Acquired by a Public Agency -- Taxable Parcel that are 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 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 Special Tax Revenue.

6. SETTING THE ANNUAL SPECIAL TAX RATE

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

1) Compute the Annual Costs using the definitions in Section 2.

2) Assign a share of the Annual Costs to each Special Tax Group by multiplying the Annual Costs by the percentages given for each Special Tax Group in Attachments 1, 2, and 3.

3) For Public Parcels, no Special Tax shall be apportioned or levied, except as noted in Section 5, Step 2 g) above.

4) For each Special Tax Group, determine the Special Tax levy for each parcel as follows:

Step 1: Calculate the Maximum Special Tax Revenue by summing the Maximum Special Tax for each Taxable Parcel.

Step 2: Compare the Annual Costs with the Maximum Special Tax Revenue from Taxable Parcels calculated in the previous step.

Step 3: If the Annual Costs are less than the Maximum Special Tax Revenue, decrease the Special Tax levy proportionately for each Taxable Parcel until the Special Tax Revenue equals the Annual Costs.

5) 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 NRSP takes place, the Finance Director will maintain a file of each current assessor's parcel number within the CFD, its Maximum Special Tax, and the authorized Maximum Special Tax on all Parcels within in the CFD available for public inspection. This record shall show the Maximum Special Tax on all Original and Successor Parcels and a brief description of the process of assigning the Special Tax each time a Successor Parcel was created, including any adjustments due to change in use. The record will also indicate whether a Parcel is a Prepayment Parcel or a Partial Prepayment Parcel.

7. PREPAYMENT OF SPECIAL TAX OBLIGATION

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

Landowners may permanently satisfy all or part 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 a whole Original Parcel greater than one acre or a Successor Parcel greater than ten acres.
- 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.

- Prior to the calculation of the prepayment amount, the landowner must notify the City whether such landowner intends to execute a full Prepayment or Partial Prepayment. If the landowner intends to execute a Partial Prepayment, the landowner shall further notify the City of the dollar amount of the intended Prepayment. In no event shall a Partial Prepayment be for less than twenty-five percent (25%) of the full Prepayment amount.

The prepayment amount shall be established by following the steps in Part A, B, C and D below.

Part A: Prepayment Prior to any Bond sale

Step A.1: Determine the anticipated construction proceeds for the Original Parcel as stated on the Maximum Special Tax Attachment for the Special Tax Group or as assigned for a Successor Parcel.

Step A.2: Determine the total Prepayment amount by adding to the amount from Step A.1 the Parcels share of any costs incurred in the formation of the CFD and any other costs incurred by the City in the calculation or application of the Prepayment proceeds.

Part B: Prepayment of Outstanding Bond Share

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

Step B.2: Determine the "Benefit Share" by dividing the Maximum Special Tax determined in Step 1 by the Maximum CFD Revenue for all Parcels in the CFD.

Step B.3: Determine the Bond Share for the Parcel by multiplying the Benefit Share From Step 2 by the total amount of outstanding bonds issued by the CFD.

Step B.4: Determine the Reserve Fund Share associated with the Bond Share determined in Step 3 and reduce the Bond Share by the amount of the Reserve Fund Share. The Reserve Fund Share is equal to the reserve requirement on all outstanding bonds multiplied by the Benefit Share. 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 called.

Step B.5: Determine the Outstanding Bond Share by adding to the amount calculated in Step 4 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, and expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

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Part C: Partial Prepayments

If the prepayment is a partial prepayment, then the property owner shall designate an amount which is less than the total prepayment amount determined above for the prepaying Parcel (or group of prepaying Parcels) and which results in a bond call in a whole number multiple of $5,000. In no event shall a Partial Prepayment be for less than twenty-five percent (25%) of the full Prepayment amount. The City shall than determine the Partial Prepayment Factor by the following procedure:

Step C.1: Subtract the amount of the partial prepayment from the full prepayment amount calculated in Step 5 of Part B or C above;

Step C.2: Subtract any fixed costs (such as the cost of the prepayment calculation and other fees which do not vary proportionally with the size of the prepayment) of the Prepayment from the full repayment amount;

Step C.3: Divide the result of Step 1 by the result of Step 2; and

Step C.4: If a partial prepayment had previously been made for this Parcel, multiply the result of Step 3 times the previously calculated Partial Prepayment Factor.

Part D: Transfers

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

Step D.1: For a full prepayment transfer the amount of the Reserve Fund Share.

Step D.2: For a partial prepayment, transfer an amount equal to the Reserve Fund Share times one minus the Partial Prepayment Factor.

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 who 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.

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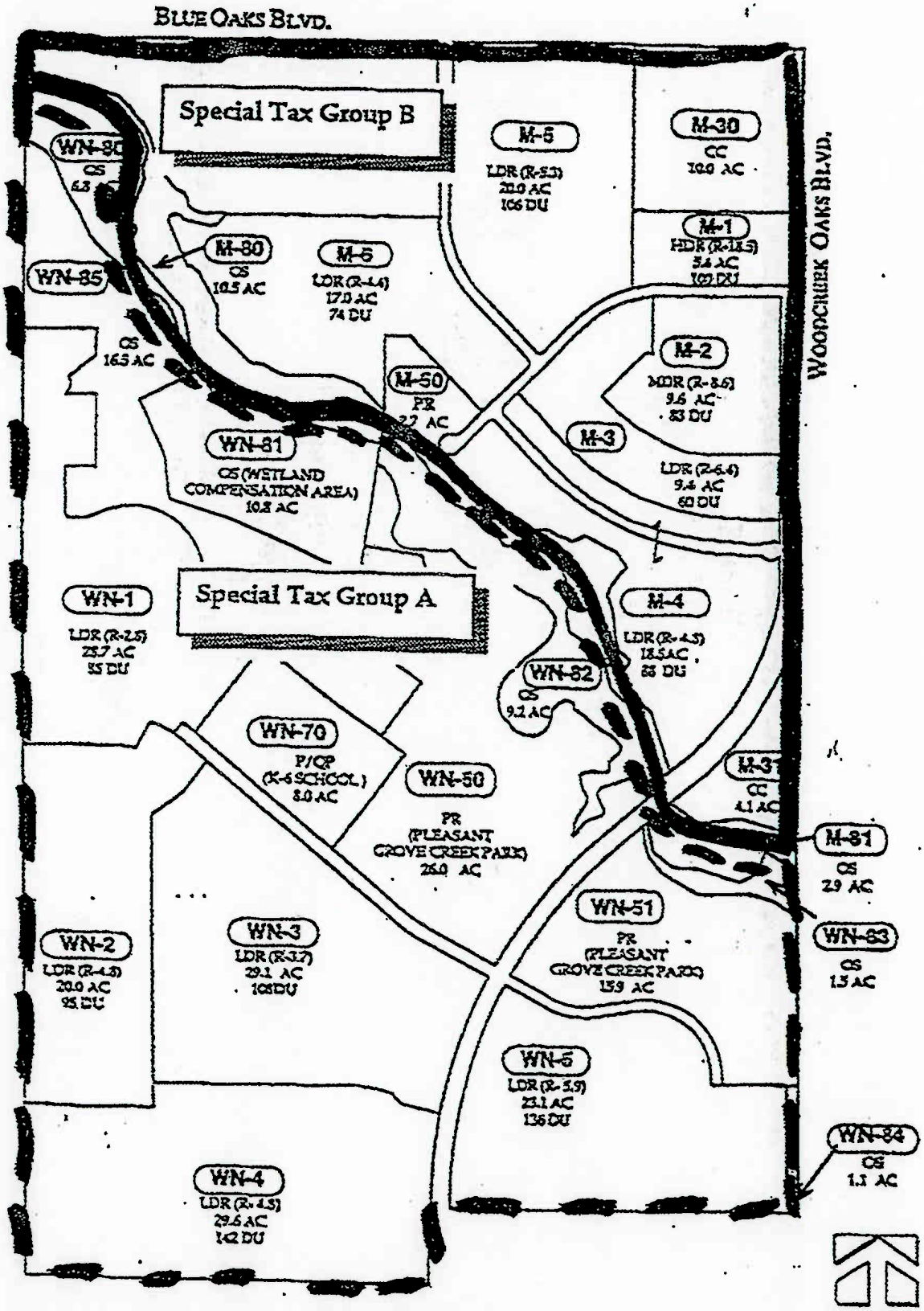
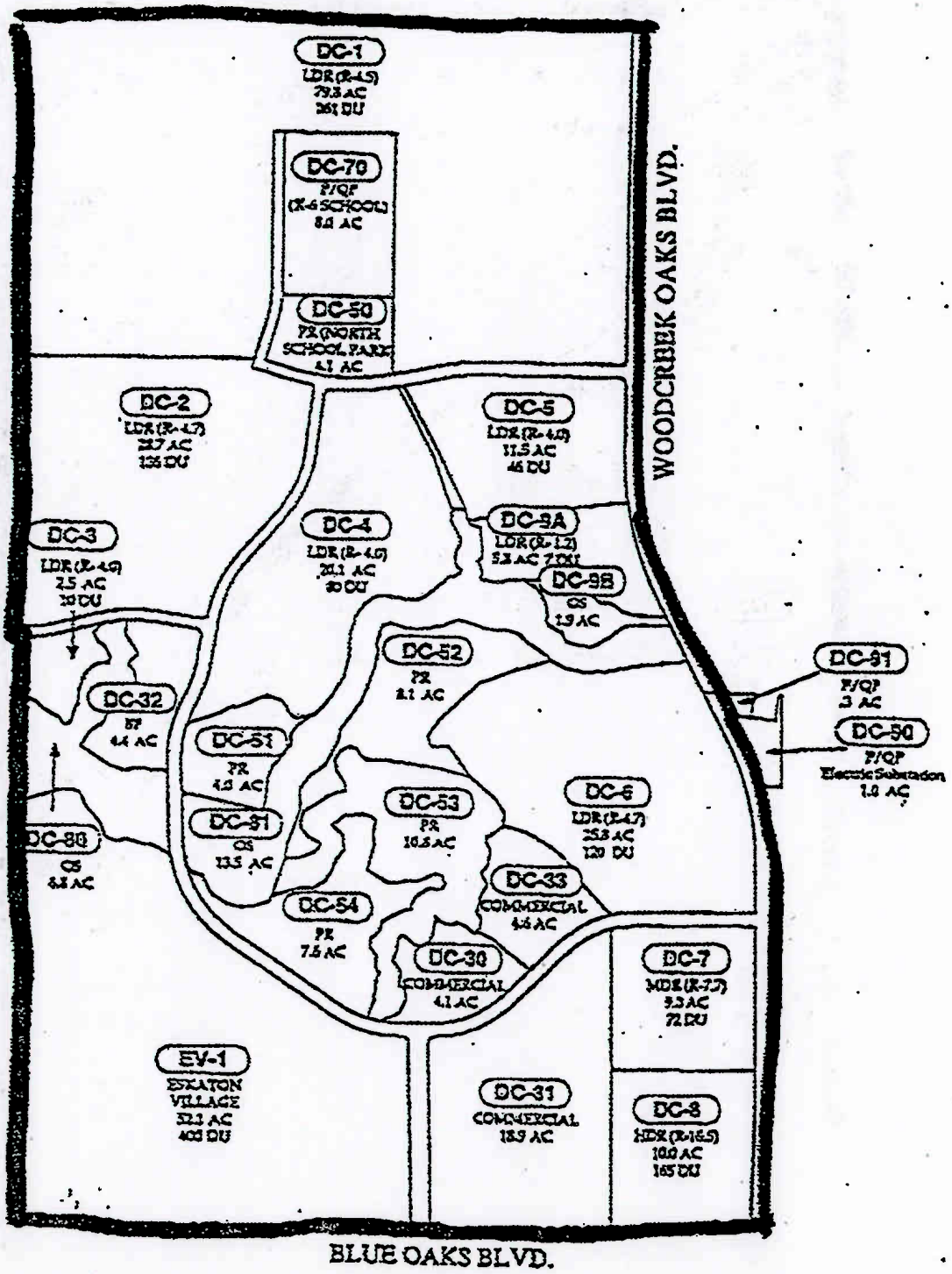
MAP 1
NORTH ROSEVILLE CFD NO. 1
SPECIAL TAX GROUPS A AND B



MAP 2
NORTH ROSEVILLE CFD NO. 1
SPECIAL TAX GROUP C



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Attachment 1
North Roseville CFD No. 1 – Special Tax Group A
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
WN-1	LDR	28.67	85	$78,480		$713,280
WN-2	LDR	19.38	95	$87,713		$797,195
WN-3	LDR	29.06	108	$99,716		$906,285
WN-4	LDR	30.12	142	$131,108		$1,191,587
WN-5	LDR	23.11	136	$125,568		$1,141,247
Total		130.34	566	$522,585	23.254%	$4,749,603
Less Reductions for Low-Income Purchase Units [2]				($8,603)		
Total Maximum Special Tax After Reductions				$513,981		

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond Issuance.

[2] Low-Income Purchase Units are levied a reduced Maximum Special Tax. The reductions in Maximum Special Taxes are not determined until the Final Map for a subdivision is submitted; therefore, the initial Maximum Special Taxes are set higher than the anticipated final Maximum Special Taxes.

Attachment 2
North Roseville CFD No. 1 -- Special Tax Group B
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
M-1	HDR	5.34	100	$3,378		$30,749
M-2	MDR	9.60	83	$69,983		$637,042
M-3	LDR	9.40	60	$53,406		$486,137
M-4	LDR	22.30	88	$69,760		$317,063
M-5	LDR	20.00	106	$108,120		$984,190
M-6	LDR	17.00	74	$75,460		$687,076
M-30	CC	10.00	0	$5,304		$48,281
M-31	CC	4.10	0	$2,175		$19,795
WN-5		97.74	511	$407,606	18.165%	$3,710,333
Less Reductions for Low-Income Purchase Units [2]				($6,089)		
Total Maximum Special Tax After Reductions				$401,516		

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond Issuance.

[2] Low-Income Purchase Units are levied a reduced Maximum Special Tax. The reductions in Maximum Special Taxes are not determined until the Final Map for a subdivision is submitted; therefore, the initial Maximum Special Taxes are set higher than the anticipated final Maximum Special Taxes.

Attachment 3
North Roseville CFD No. 1 – Special Tax Group C
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
DC-1	LDR	79.99	365	$424,260		$3,951,056
DC-2	LDR	28.51	137	$159,468		$1,482,999
DC-3	LDR	2.60	10	$11,640		$108,248
DC-4	LDR	20.00	80	$80,316		$746,912
DC-5	LDR	11.72	46	$44,232		$411,343
DC-6	LDR	26.29	120	$108,000		$1,004,364
DC-7	MDR	9.33	72	$56,160		$522,269
DC-8	HDR	10.00	165	$5,319		$49,467
DC-9A	LDR	6.04	2	$2,120		$19,717
DC-30	CC	4.10		$18,488		$171,933
DC-31	CC	19.10		$86,128		$800,958
DC-32	BP	4.86		$21,915		$203,804
DC-33	CC	4.78		$21,554		$200,449
EV-1	Eskaton Village	52.20	400	$248,601		$2,297,271
Total		279.52	1,397	$1,288,801	58.592%	$11,970,790

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond issuance.

EXHIBIT D

SPECIAL TAX BILL

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

To: _____
_____
_____

RE: PROPERTY AT _____ APN: _____

TAX: $_____
First Installment: $_____
Second Installment: $_____

Reference is made to Paragraph 11 of the City of Roseville's Resolution of Formation of the above-referenced Community Facilities District, and the Notice of Special Tax Lien recorded in the Office of the County Recorder of Placer County on _____, 1998 under Recorder's Document Number _____ (copies of which are available from the Roseville City Clerk), which set forth the authority for this Special Tax.

A Special Tax has been levied on the above-referenced parcel in the amount shown above by Ordinance No. _____, adopted _____, 1998, [as implemented by Resolution No. _____, adopted _____, 1998] of the City of Roseville (the "City").

THIS TAX IS NOW DUE AND PAYABLE

Checks should be made payable to: **Director of Finance, City of Roseville** and mailed to:

Director of Finance, City of Roseville
North Roseville CFD No. 1 Special Tax
311 Vernon Street
Roseville, CA 95678

or the bill may be paid in person at the same location.

The amounts which must be paid to avoid incurring penalties and additional costs is shown above. The **FIRST INSTALLMENT of this Special Tax will be delinquent if not paid by December 10, ____. The SECOND INSTALLMENT of this Special Tax will be delinquent if not paid by April 10, ____.** All delinquencies incur an immediate 10% penalty and an additional 1½% penalty on the first day of each month beginning July 1, _____. Delinquencies are also subject to judicial foreclosure under the procedure set forth in §53356.1 and following of the Government Code.

Dated: _____

_____
DIRECTOR OF FINANCE

KEEP THIS PORTION OF THE BILL FOR YOUR RECORDS

PLEASE RETURN THIS PORTION OF THE BILL WITH YOUR PAYMENT

First Installment

SPECIAL TAX BILL

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

To: _____
_____
_____

RE: PROPERTY AT _____ APN: _____

ANNUAL TAX: $_____

FIRST INSTALLMENT: $_____

The amount which must be paid to avoid incurring penalties and additional costs is shown above. **This Special Tax will be delinquent if not paid by December 10, ____.** All delinquencies incur an immediate 10% penalty and an additional 1½% penalty on the first day of each month beginning July 1, ____. Delinquencies are also subject to judicial foreclosure under the procedure set forth in §53356.1 and following of the Government Code.

Checks should be made payable to: **Director of Finance, City of Roseville** and mailed to:

Director of Finance, City of Roseville
North Roseville CFD No. 1 Special Tax
311 Vernon Street
Roseville, CA 95678

or the bill may be paid in person at the same location.

Please write the parcel number (APN) on your check.