

**RESOLUTION NO. 2138**

**A RESOLUTION OF  
THE BOARD OF DIRECTORS  
OF THE OLIVEHURST PUBLIC UTILITY DISTRICT  
DECLARING ITS INTENTION TO ESTABLISH  
THE OLIVEHURST PUBLIC UTILITY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (FEATHER GLEN); TO LEVY A  
SPECIAL TAX TO PAY FOR CERTAIN PUBLIC FACILITIES; TO INCUR BONDED  
INDEBTEDNESS; AND TO APPROVE AN ACQUISITION AGREEMENT AND AN  
ADVANCE FUNDING AND REIMBURSEMENT AGREEMENT**

**WHEREAS**, the Board of Directors (the “Board”) of the Olivehurst Public Utility District (the “District”) has adopted local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the California Government Code) (the “Act”);

**WHEREAS**, the Board has duly considered the advisability and necessity of establishing a community facilities district pursuant to the Act encompassing a portion of the Plumas Lake Specific Plan area and levying a special tax therein to finance the acquisition and construction costs of certain public capital facilities; and

**WHEREAS**, the Board has determined that the establishment of the proposed community facilities district is consistent with and follows the District’s goals and policies for use of the Act.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Olivehurst Public Utility District that:

1. **Recitals.** The above recitals are true and correct.
2. **Intent to Establish Community Facilities District.** The Board proposes and intends to establish a community facilities district pursuant to the provisions of the Act.
3. **Description of Boundaries.** The proposed boundaries of the community facilities district are shown on a map on file in the office of the Deputy District Clerk. The Board hereby directs the Deputy District Clerk to endorse the certificates set forth on the map indicating its filing in the office of the Deputy District Clerk and evidencing the date and adoption of this resolution. The Board further directs the Deputy District Clerk to record a copy of the map with the Yuba County Recorder within 15 days after the adoption of this resolution, in accordance with the provisions of Sections 3111 of the California Streets and Highways Code.
4. **Name of the Community Facilities District.** The community facilities district proposed to be formed shall be known as the “Community Facilities District No. 2006-1 (Feather Glen)” (the “Feather Glen CFD No. 2006-1”).
5. **Description of Public Facilities.** The Facilities proposed to be financed by the District are described in Exhibit A attached hereto, which include completed facilities. The

Facilities have a useful life of five years or longer. The cost of financing the acquisition and construction of the Facilities includes "incidental expenses," which include the cost of planning and designing the Facilities and environmental evaluations thereof; costs associated with the creation of the Feather Glen CFD No. 2006-1, issuance of bonds, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Feather Glen CFD No. 2006-1; and any other expenses incidental to the design, construction, completion, and inspection of the Facilities.

6. **Levy of Special Tax.** Except where funds are otherwise available, a special tax specific to the Feather Glen CFD 2006-1 and sufficient to pay the costs of the Facilities (including incidental expenses and debt service on bonds issued to finance the Facilities), secured by recordation of a continuing lien against all nonexempt real property in the Feather Glen CFD No. 2006-1, will be levied annually within the Feather Glen CFD No. 2006-1. The rate, method of apportionment, and manner of collection of the special tax are specified in Exhibit B. Exhibit B specifies the conditions under which the special tax may be prepaid and permanently satisfied. Exhibit B also specifies the year after which no further special tax shall be levied against any parcel used for private residential purposes. Under no circumstances will the special tax levied against any parcel used for private residential purposes be increased by more than ten percent as a consequence of delinquency or default by the owner of any other parcel or parcels of land within the Feather Glen CFD No. 2006-1.

7. **Declaration of Necessity To Incur Bonded Indebtedness.** In order to finance the acquisition and construction costs of the Facilities and the incidental expenses thereof, it is necessary for the Feather Glen CFD 2006-1 to incur bonded indebtedness.

8. **Purpose of Debt.** The proposed bonded indebtedness would be incurred for the purpose of construction and acquisition of the Facilities, payment of the incidental expenses of such construction and acquisition, payment of the costs of issuance of the bonds, funding capitalized interest, funding a debt service reserve fund, repayment of funds advanced, and payment of other costs authorized by the Act.

9. **Amount of Proposed Debt.** The amount of the proposed bonded indebtedness to be incurred is \$15,000,000.

10. **Public Hearing.** The Board hereby fixes 7:00 p.m., or as soon thereafter as practicable, on Thursday, November 30, 2006, at the regular meeting place of the Board, 1979 9<sup>th</sup> Avenue, Olivehurst, California, as the time and place for a public hearing on the establishment of the Feather Glen CFD No. 2006-1. The hearing on the establishment of the Feather Glen CFD No. 2006-1 shall be consolidated with the hearing on the bonded indebtedness proposed to be incurred and shall be conducted as a single hearing.

11. **Publication of Notice.** The Board directs the General Manager to publish a notice of the consolidated hearing, in substantially the form attached hereto as Exhibit C, once not later than seven days prior to the date fixed for the hearing, in a newspaper of general circulation published in the area of the Feather Glen CFD No. 2006-1.

12. **Hearing Report.** The Board directs the General Manager to study the proposed Feather Glen CFD No. 2006-1 and, at or before the time of the hearing, to cause to be prepared

and filed with the Board a report containing a brief description of the facilities by type that will in his opinion be required to adequately meet the needs of the Feather Glen CFD No. 2006-1, an estimate of the cost of providing those public facilities; the fair and reasonable cost of any of the facilities to be purchased; and the fair and reasonable cost of incidental expenses to be incurred in connection therewith.

**13. Description of Proposed Voting Procedures.** If, at the conclusion of the public hearing, the Board adopts a resolution establishing the Feather Glen CFD No. 2006-1, the Board proposes to order an election by mailed ballot and submit the question of the levy of the special tax to the qualified electors. The Board hereby determines that the Facilities are necessary to meet increased demands placed upon the District as a result of development occurring within the boundaries of the Feather Glen CFD No. 2006-1. Because fewer than twelve registered voters currently reside within the Feather Glen CFD No. 2006-1, the qualified electors shall be the landowners within the Feather Glen CFD No. 2006-1, and each landowner who is the owner of record at the close of the hearing shall have one vote for each acre or portion of an acre of land that such landowner owns within the proposed Feather Glen CFD No. 2006-1.

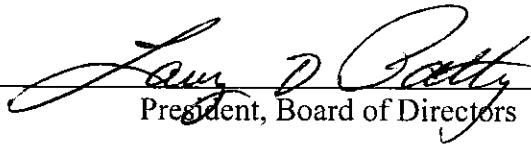
**14. Tender of Bonds for Payment of Taxes.** The Board reserves to itself the right and authority to allow any interested owner of property within the Feather Glen CFD No. 2006-1, subject to the provisions of Government Code section 53344.1 and to those conditions it may impose, and any applicable prepayment penalties as described in a fiscal agent agreement or comparable document providing for the issuance of bonds, to tender to the District in full payment or part payment of any installment of the special taxes or the interest or penalties thereon that may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

**15. Approval of Acquisition Agreement.** The Board hereby authorizes and directs the General Manager to execute and deliver an Acquisition Agreement in substantially the form presented to this meeting, which agreement is hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the General Manager executing the agreement for the District. The execution of the agreement by the General Manager shall constitute conclusive evidence of the General Manager's and the Board's approval of the agreement or document and any such changes, insertions, revisions, corrections, or amendments.

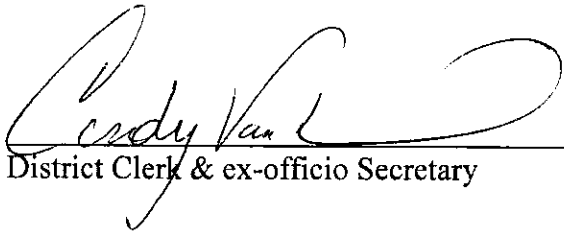
**16. Approval of Deposit and Reimbursement Agreement.** The Board hereby authorizes and directs the General Manager to execute and deliver an Advance Funding and Reimbursement Agreement in substantially the form presented to this meeting, which agreement is hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the General Manager executing the agreement for the District. The execution of the agreement by the General Manager shall constitute conclusive evidence of the General Manager's and the Board's approval of the agreement or document and any such changes, insertions, revisions, corrections, or amendments.

**PASSED AND ADOPTED** this 19<sup>th</sup> day of October 2006.

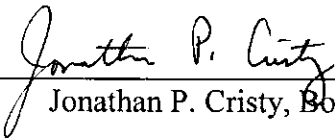
**OLIVEHURST PUBLIC UTILITY DISTRICT**

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
District Clerk & ex-officio Secretary

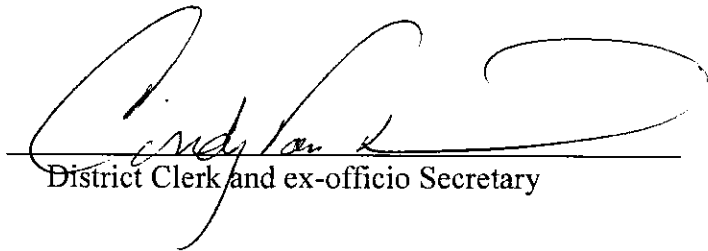
APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

  
\_\_\_\_\_  
Jonathan P. Cristy, Bond Counsel

\* \* \* \* \*

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 19<sup>th</sup> day of October 2006, by the following vote:

AYES, AND IN FAVOR THEREOF:	Director Morrison, Carpenter, Hollis, Miller, and Patty.
NOES	: None.
ABSTAIN	: None.
ABSENT	: None.

  
District Clerk and ex-officio Secretary

## **EXHIBIT A**

### **Public Capital Facilities**

#### **A. PUBLIC IMPROVEMENTS**

The following types of improvements are authorized to be constructed with proceeds of bonds issued or special taxes collected with respect to the Feather Glen CFD No. 2006-1.

##### **(1) Sewer System Improvements**

Authorized facilities include any and all sewer system improvements designed to serve the development needs of the Plumas Lake Specific Plan area. These facilities may include major collection system sewer lines (gravity lines and force mains), lift stations, water wells (for the flushing of sewer lines), maintenance roads, and all other appurtenances related to sewer system improvements.

##### **(2) Water System Improvements**

Authorized facilities include any and all water transmission main improvements designed to serve the development needs of the Plumas Lake Specific Plan area. These facilities may include water wells, pumping systems, water treatment facilities, storage tanks, transmission mains, and any other appurtenances related to water system improvements.

##### **(3) Park Improvements**

Authorized facilities include any and all park improvements designed to serve the needs of the Plumas Lake Specific Plan area. These facilities may include neighborhood and community parks, including the development of parks, parkways, bike trails, paths, open space, community centers, sports facilities, and any other appurtenances related to park improvements.

#### **B. DEVELOPMENT IMPACT FEES**

Eligible expenditures include prepayment of development impact fees applicable to new development within the Feather Glen CFD No. 2006-1 that are used to fund park improvements.

#### **C. OTHER EXPENSES**

The above listed types of facilities are proposed to include incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning, engineering, and designing the facilities (including the cost of environmental evaluation thereof); cost associated with the creation of the Feather Glen CFD No. 2006-1; issuance of bonds thereof; 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 Feather Glen CFD No. 2006-1; and any other expenses incidental to the construction, completion, and inspection of the facilities, including the cost of planning and designing the facilities (including the cost of environmental evaluation and environmental remediation or mitigation).

# EXHIBIT B

Olivehurst Public Utility District  
Community Facilities District No. 2006-1  
(Feather Glen)  
Yuba County, California

## RATE, METHOD OF APPORTIONMENT, AND MANNER OF COLLECTION OF SPECIAL TAX

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### 1. Basis of Special Tax Levy

A Special Tax, authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in the Olivehurst Public Utility District (District) Community Facilities District No. 2006-1 (Feather Glen) (CFD) of Yuba County (County), shall be levied and collected according to the tax liability determined by the District 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 following actual or reasonably estimated costs related to the administration of the CFD, including:

- Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the District or designee thereof or both);
- Costs of collecting the Special Taxes (whether by the District, County, or otherwise);
- Costs of remitting the Special Taxes to the Trustee;
- Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture;
- Costs to the District, CFD or any designee thereof of complying with arbitrage rebate requirements;
- Costs to the District, CFD or any designee thereof of complying with District, CFD or obligated persons’ disclosure requirements;

- Costs associated with preparing Special Tax disclosure statements;
- Costs incurred in responding to public inquiries regarding the Special Taxes;
- Costs to the District, CFD or designee thereof related to any appeal of the Special Tax;
- Costs associated with the release of funds from an escrow account, if any; and
- Amounts estimated to be advanced or advanced by the District for any other administrative purposes, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**“Administrator”** means the General Manager of the District, or his or her designee.

**“Annual Costs”** means, for any Fiscal Year, the total of the following:

- i) Debt Service to be paid from Special Taxes collected during the Bond Year;
- ii) Administrative Expenses for such Fiscal Year;
- iii) The amount needed to replenish any Reserve Fund Requirement for CFD Bonds to the level required under the documents pursuant to which such Bonds were issued;
- iv) An amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year or anticipated for the current Fiscal Year less any credit from earnings on the Bond reserve fund, less credit for applicable development fees, less any reimbursements, or less any funds available from prepaid Special Taxes as prescribed in **Section 7**; and
- v) Pay-As-You-Go Expenditures for Authorized Facilities to be constructed or acquired by the CFD.

**“Anticipated Construction Proceeds”** means that amount that is anticipated to be available from Bonds for the acquisition or construction of Authorized Facilities.

**“Assessor's Parcel”** means a parcel of land in the County as identified by Assessor's Parcel Number.

**“Assessor's Parcel Number”** means the number as assigned to a Parcel by the Assessor as recorded by the Assessor on the last equalized tax roll.

**“Auditor-Controller”** means the Auditor-Controller of the County.



**“Authorized Facilities”** means those facilities authorized to be funded by the CFD, as identified in the resolution forming the CFD.

**“Base Year”** means the Fiscal Year beginning on July 1, 2007 and ending on June 30, 2008.

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

**“Board”** means the Board of Directors of the Olivehurst Public Utility District acting for the CFD under the Act.

**“Bond(s)”** means any bonds issued by the District under the Act that are payable from the Special Taxes.

**“Bond Authorization”** means the maximum amount of Bonds that the CFD is authorized to issue pursuant to the Bond Indenture.

**“Bond Indenture”** means the indenture or other financing document pursuant to which the Bonds are issued.

**“Bond Share”** means the share of Bonds assigned to a Parcel as specified in **Section 7** of this Rate and Method of Apportionment.

**“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 Olivehurst Public Utility District Community Facilities District No. 2006-1 (Feather Glen) of the District.

**“County”** means the County of Yuba, California.

**“Debt Service”** means for each Bond Year, the total amount of principal and interest for any Bonds, notes, or certificates of participation of the CFD during that Bond Year, less any applicable credits that may be available from any other sources available to the District to pay principal and interest for the previous or current Bond Year.

**“Developed Parcel”** means a Taxable Parcel receiving one of the following development approvals from the County:

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

Once a Taxable Parcel is classified as a Developed Parcel, it shall not be reassigned to a Parcel category with a lower Special Tax obligation, such as Final Map Parcel or Large Lot Parcel.

**“Final Subdivision Map”** means a recorded map designating individual Single-Family Residential Parcels or condominium units.

**“Final Map Parcel”** means a Parcel created by the recordation of a Final Subdivision Map. Once a Parcel is classified as a Final Map Parcel, it shall not be reassigned to a Parcel category with a lower Special Tax obligation, such as Large Lot Parcel.

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

**“Large Lot Parcel”** means any Parcel delineated on a Large Lot Subdivision Map.

**“Large Lot Subdivision Map”** means a recorded subdivision map delineating Parcels by land use. However, the Large Lot Subdivision Map does not delineate individual Single-Family Residential Parcels. A Final Subdivision Map will delineate individual Single-Family Residential Parcels.

**“Maximum CFD Revenue”** means the greatest amount of revenue that can be collected in a Fiscal Year by levying the Special Tax against all Taxable Parcels in the CFD.

**“Maximum Annual Special Tax”** means the greatest amount of Special Tax that can be levied against a Taxable Parcel in any Fiscal Year as shown in **Attachment 1**.

**“Maximum Annual Special Tax Revenue”** means the greatest amount of revenue that can be collected by levying the Maximum Annual Special Tax against a group of Parcels within a specific classification, such as Developed Parcels.

**“Original Parcel”** means a Parcel as identified by Assessor’s Parcel Number on **Attachment 1**. Original Parcels are assigned Units in **Attachment 1** based on Tentative Maps approved by the County at the time of the formation of the CFD, or upon Tentative Maps that have been proposed for approval by the County. Approved Tentative Maps are used to derive Unit assignments.

**“Other Taxable Uses”** means a Taxable Parcel that is not designated for single-family residential use, such as commercial, business park, office, retail, light industrial, industrial, multi-family residential, or mixed use parcels.

**“Outstanding Bonds”** means the total principal amount of Bonds that has been issued and not retired or defeased.

**“Parcel”** means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**“Partial Prepayment”** means a prepayment of a portion of a Parcel's Special Tax obligation, as set forth in **Section 7**.

**“Partial Prepayment Factor”** means a factor by which the Maximum Annual Special Tax for a Partial Prepayment Parcel is multiplied to calculate an adjusted Maximum Annual Special Tax for such Parcel. Each Partial Prepayment Factor shall be calculated according to the steps described under **Section 7** hereof.

**“Pay-As-You-Go Expenditure”** means the use of annual Special Tax revenues that are not needed for Annual Costs, not including Pay-As-You-Go Expenditures, for Authorized Facilities to be constructed or acquired by the CFD.

**“Planned Units”** means the number of single-family residential parcels assigned to the Original Parcel shown in **Attachment 1**.

**“Prepayment”** means the partial or permanent satisfaction of the Maximum Annual Special Tax obligation for a Parcel.

**“Public Parcel”** means any parcel that is, or is intended to be, publicly owned that is normally exempt from the levy of general *ad valorem* property taxes under California law, including public streets, schools, parks, public water tank parcels, public sewer lift station parcels, public drainageways, public landscaping, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Parcels that may get partial or full exemptions from payment of *ad valorem* property taxes, such as churches, are not considered a Public Parcel.

**“Reserve Fund Requirement”** means the amount required to be held in the bond reserve fund created under the Bond Indenture.

**“Reserve Fund Share”** means the amount on deposit in the reserve fund, but in any event, not to exceed the required bond reserve as defined in the Bond Indenture, multiplied by the Benefit Share for a given Parcel.

**“Single-Family Residential Parcel”** means a Taxable Parcel created by the recordation of a Final Subdivision Map.

**“Special Tax(es)”** mean(s) any tax levy under the Act in the CFD. The Special Tax shall be levied as long as necessary to pay Annual Costs.

**“Subdivision”** or **“Subdivide”** means a division of a Parcel into two or more Successor Parcels through the Subdivision Map Act process.

**“Successor Parcel”** means a Parcel created by Subdivision, lot line adjustment, or parcel map from an Original or Successor Parcel. A Successor Parcel is classified as a Large Lot Parcel, Final Map Parcel, or Developed Parcel using the definitions in **Section 2**.

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

**“Tax Escalation Factor”** means a factor of 2 percent that will be applied annually after the Base Year to increase the Maximum Annual Special Tax, as shown in **Attachment 1** and **Attachment 2**.

**“Taxable Parcel”** means any Parcel that is not a Tax-Exempt Parcel.

**“Tax-Exempt Parcel”** means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels, (ii) any Parcel that has prepaid its Special Taxes under **Section 7** hereof, or (iii) any Parcel that is exempt from the Special Tax under the Act. Certain privately owned Parcels may also be exempt from the levy of Special Taxes including common areas owned by homeowner’s associations or property owner associations, wetlands, detention basins, water quality ponds, and open space.

**“Tentative Map”** means a tentative subdivision map as defined by the Subdivision Map Act.

**“Total Facility Cost Share”** means the Benefit Share for a Parcel multiplied by the Anticipated Construction Proceeds for the CFD.

### **3. Determination of Parcels Subject to Special Tax**

The Administrator shall prepare a list of Parcels subject to the Special Tax using the records of the County Assessor as of January 1, and other County development approval records as of June 30. The District 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.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed or subsequent Final Subdivision Maps are recorded will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code by the procedure described in **Section 7**. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of the Special Tax assigned to a Parcel or group of Parcels will be permitted to the extent that there is no net loss in Maximum CFD Revenue.

- 2) The remaining Parcels shall be subject to the Special Tax according to the method detailed in **Section 5**.

#### **4. Termination of the Special Tax**

The Special Tax will be levied and collected from all Taxable Parcels for as long as needed to pay the Annual Costs. However, in no event shall the Special Tax be levied beyond Fiscal Year 2046-2047.

When all Annual Costs incurred by the CFD have been paid, the Special Tax shall cease to be levied. The Board shall direct the County Recorder 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 previously Taxable Parcels by 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 Tax**

- A. **Classification of Parcels**. Each Fiscal Year, using the Definitions above, the parcel records of the County Assessor's Secured Tax Roll as of January 1, and other County development approval records as of June 30, the District shall cause:
  1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel;
  2. Each Taxable Parcel is classified as an Original Parcel or a Successor Parcel; and
  3. Each Original Parcel or Successor Parcel is classified as a Developed Parcel, Final Map Parcel, Large Lot Parcel, or Partial Prepayment Parcel.

B. Assignment of Maximum Annual Special Tax to Original Parcels. The Maximum Annual Special Tax for each Original Parcel is shown on **Attachment 1**, as increased by the Tax Escalation Factor. Planned Units assigned to Original Parcels in **Attachment 1** are based on Tentative Maps. As Original Parcels are Subdivided, the Units will be assigned to Large Lot Parcels based on the number of Planned Units for each Large Lot Parcel that is designated for Single-Family residential land uses.

C. Assignment of Maximum Annual Special Tax to Successor Parcels. As the Original Parcel shown in **Attachment 1**, or Successor Parcels are Subdivided into Final Map Parcels, or Large Lot Parcels, the Administrator shall assign Planned Units to taxable Successor Parcels using the following steps.

1. Subdivision Creating Large Lot Parcels. If the Subdivision of an Original Parcel or Successor Parcel creates one or more Large Lot Parcels, the Administrator will assign the Maximum Annual Special Tax to such Parcels using the following steps.
  - a. Determine the number of Planned Units assigned to the Original Parcel or Successor Parcel(s) being Subdivided.
  - b. Assign the Planned Units from *Step a* to the Large Lot Parcel(s) using the Tentative Map and other records of the County. All Planned Units from *Step a* must be assigned to Large Lot Parcels.
  - c. Multiply the number of Planned Units assigned to Large Lot Parcels in *Step b* times the Maximum Annual Special Tax per Planned Unit (as increased by the Tax Escalation Factor) shown in **Attachment 1**. This result is the Maximum Annual Special Tax for the Large Lot Parcel(s).
2. Subdivision Creating Final Map Parcels and Large Lot Parcel(s). If the Subdivision of an Original Parcel or Successor Parcel creates Final Map Parcels and one or more Large Lot Parcels, the Administrator will assign the Maximum Annual Special Tax to such Parcels using the following steps.
  - a. Determine the total number of Planned Units assigned to the Original Parcel or Successor Parcel(s) that is to be Subdivided to create Final Map Parcels and Large Lot Parcel(s).
  - b. Each Final Map Parcel is assigned a Planned Unit.
  - c. Assign the remaining Planned Units to Large Lot Parcel(s).
  - d. Multiply the number of Planned Units assigned to Large Lot Parcels in *Step c* and assigned to Final Map Parcels in *Step b* times the Maximum Annual Special Tax per Planned Unit (as increased by the

Tax Escalation Factor) shown in **Attachment 1**. This result is the Maximum Annual Special Tax for each Final Map Parcel and Large Lot Parcel(s).

3. Subdivision Creating Final Map Parcels. If the Subdivision of an Original Parcel or Successor Parcel creates Final Map Parcels, the Administrator will assign the Maximum Annual Special Tax to such Parcels using the following steps.
  - a. Determine the number of Planned Units assigned to the Original Parcels or Successor Parcel(s) being Subdivided into Final Map Parcels.
  - b. Determine the number of Units created by the Final Subdivision Map that resulted in the creation of the Final Map Parcels in *Step a*.
  - c. If the number of Units in *Step b* is equal to or greater than the number of Planned Units in *Step a*, assign the Maximum Annual Special Tax per Planned Unit (as increased by the Tax Escalation Factor) shown in **Attachment 1** to each Final Map Parcel.
  - d. If the number of Units in *Step b* is less than the Planned Units in *Step a*, assign the Maximum Annual Special Tax per Planned Unit (as increased by the Tax Escalation Factor) shown in **Attachment 1** to each Final Map Parcel.
  - e. Subtract the amount determined in *Step b* from the amount in *Step a* to determine the number of Planned Units that were not created.
  - f. Since the Special Tax revenue from these Planned Units were anticipated to pay Annual Costs and not realized, the Administrator shall: (i) calculate the loss in Maximum CFD Revenue by multiplying the number of Units not created by the Maximum Annual Special Tax per Planned Unit from **Attachment 1**; and (ii) require the Prepayment of this amount pursuant to **Section 7**. Prepayment shall be made prior to, or concurrent with, recordation of the subdivision map creating the new Successor Parcel(s).

Such Prepayment may be avoided to the extent that the Administrator determines that the Maximum CFD Revenue, allowing for the loss of such Planned Units, is expected to be sufficient to meet Annual Costs without the levy of an additional Special Tax on such Units.

4. Developed Parcels. Developed Parcels are Large Lot Parcels or Final Map Parcels that have received building permit approvals for Single-Family Residential land use or Other Taxable Uses. The Maximum Annual

Special Tax assigned to the Large Lot Parcel or Final Map Parcel  
previously is the Maximum Annual Special Tax for the Developed Parcel.

**D. Assignment of Maximum Annual Special Tax Partial Prepayment Parcel.**

The Maximum Annual Special Tax for a Partial Prepayment Parcel is assigned by multiplying the Maximum Annual Special Tax per Planned Unit from **Attachment 1**, or as otherwise calculated for a Developed Parcel, by the Partial Prepayment Factor for the parcel.

**E. Conversion of a Tax-Exempt Parcel to a Taxable Parcel.** If a parcel designated as a Tax-Exempt Parcel is converted to a taxable land use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such Parcels shall be assigned by the Administrator using the appropriate Parcel classification.

1. For Single-Family Residential Parcels, the Maximum Annual Special Tax per Planned Unit is assigned to Parcels using **Attachment 1**.
2. For Large Lot Parcels with a land use designation for single-family residential, the Administrator will assign Planned Units to the Large Lot Parcel based on the single-family residential development potential of the parcel, and then will multiply the number of Planned Units by the Maximum Annual Special Tax per Planned Unit (as shown in **Attachment 1**), as shown in **Attachment 1**, to derive the Maximum Annual Special Tax for the Large Lot Parcel.

**F. Taxable Parcel Acquired by a Public Agency.** Taxable Parcels 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, such as a school site, is relocated to a Taxable Parcel, in which case 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 new Taxable Parcel. This trading of parcels will be permitted to the extent that there is no net loss in Maximum Annual Special Tax Revenue.

## **6. Setting the Annual Special Tax for Taxable Parcels**

The Administrator shall calculate the Special Tax levy for each Taxable Parcel for each fiscal year as follows:

- A. Calculate the Special Tax for each Taxable Parcel by using following steps below.



- Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels by summing the Maximum Annual Special Tax for each Developed Parcel.
  - Step 2: Compute the Annual Costs using the definition of Annual Costs in **Section 2**.
  - Step 3: Compare the Annual Costs with the Maximum Annual Special Tax Revenue from Developed Parcels calculated in *Step 1*.
  - Step 4: If the Annual Costs are less than the Maximum Annual Special Tax Revenue, decrease the Special Tax proportionally for all Developed Parcels until the Maximum Annual Special Tax Revenue is just equal Annual Costs.
  - Step 5: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels, levy a proportional amount of Special Tax on each Final Map Parcel to just equal the amount of Annual Costs or until 100 percent of the Maximum Annual Special Tax is reached for such Final Map Parcels.
  - Step 6: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from Developed Parcels and Final Map Parcels, levy a proportional amount of Special Tax on each Large Lot Parcel 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.
- B. Levy on each Taxable Parcel the amount calculated above.
- C. Prepare the Tax Collection Schedule listing the tax levy for each Taxable Parcel and send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

The Administrator shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to advise the District of any alleged errors in the determination of the Parcels subject to the tax and the assignment of the Special Tax to the Parcels.

As development and Subdivision within the CFD takes place, the Administrator will maintain a file available for public inspection containing each current Assessor's Parcel Number within the CFD, its Maximum Annual Special Tax, and the number of Planned Units assigned to all Original Parcels and Successor Parcels, and the Maximum CFD Revenues for all Parcels within the CFD. This record shall show the Maximum Annual Special Tax on

all Original, Large Lot, Final Map Parcels, and Developed Parcels and a brief description of the process of assigning the Special Tax each time a new Parcel was created, including any adjustments resulting from a change in land use.

## **7. Prepayment of Special Tax Obligation**

Landowners may permanently satisfy the Special Tax obligation by a cash settlement with the District as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions described below.

- The Administrator 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 before prepayment.
- The landowner may make a request to the Administrator to partially prepay the Special Tax obligation for a Taxable Parcel or Parcels, and the Administrator will determine whether or not to allow the Partial Prepayment.

The Prepayment amount shall be established by following the steps in Part A and Part B below.

### **Part A: Full Prepayment of Special Tax Obligation Before the Sale of Bonds**

The Prepayment amount before Bond sale is equal to the amount of the Anticipated Construction Proceeds for the Parcel, plus any Administrative Expenses incurred in the establishment of the CFD and the calculation of the Prepayment amount. The amount of the Anticipated Construction Proceeds shall be reduced for any Pay-As-You-Go Expenditures that will be used to finance the principal amount of the Anticipated Construction Proceeds if Special Taxes have already been levied for Pay-As-You-Go Expenditures up to and including the current Fiscal Year of the Prepayment.

The Prepayment amount shall be established by following the steps below.

- Step A.1 Determine the Maximum Annual Special Tax for the prepaying Parcel by following the procedures in **Section 5**.
- Step A.2 Divide the Maximum Annual Special Tax from Step A.1 by the Maximum Annual Special Tax Revenue to arrive at the Benefit Share.

- Step A.3 Determine the Anticipated Construction Proceeds for the Parcel by multiplying the Benefit Share from Step A.2 by the Anticipated Construction Proceeds.
- Step A.4 Determine the Prepayment amount by adding to the Anticipated Construction Proceeds for the prepaying Parcel (as calculated in Step A.3) any fees and expenses incurred by the County in connection with the prepayment calculation. If Special Taxes have already been levied, but not collected, at the time the Prepayment is calculated, the owner of the Parcel must pay the Special Taxes included on the property tax bill in addition to the Prepayment amount.

### **Part B: Full Prepayment of Special Tax Obligation After Sale of Bonds**

The Prepayment amount shall be established by following the steps below.

- Step B.1 Determine the Maximum Annual Special Tax for the prepaying Parcel by following the procedures in **Section 5**.
- Step B.2 Divide the Maximum Annual Special Tax from Step B.1 by the Maximum Annual Special Tax Revenue to arrive at the Benefit Share.
- Step B.3 Determine the Bond Share for the Parcel by multiplying the Benefit Share from Step B.2 by the Outstanding Bonds. For the purpose of the calculation, reduce the Outstanding Bond balance by the amount of the principal payment for which Special Taxes have been levied but not collected.
- Step B.4 Determine the Reserve Fund Share associated with the Bond Share determined in Step B.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 or the actual Reserve Fund, whichever is less, multiplied by the Benefit Share.
- Step B.5 Determine the Prepayment amount by adding to the revised Bond Share amount calculated in Step B.4 any fees, call premiums, and expenses incurred by the County in connection with the Prepayment calculation or the application of the proceeds of the Prepayment to the call of Bonds. If Special Taxes have already been levied, but not collected, at the time the Prepayment is calculated, the owner of the Parcel must pay the Special Taxes included on the property tax bill in addition to the prepayment amount.

### **Part C: Partial Prepayment of Special Tax Obligation**

If the Prepayment is a Partial Prepayment, then the property owner shall designate an amount which is less than the full Prepayment amount determined above for the Parcel

(or group of such Parcels) for which the Special Tax is to be partially prepaid but which, based upon a calculation provided by the Administrator, will provide sufficient funds for a Bond call in a whole number multiple of \$5,000. If the Administrator approves a Partial Prepayment, the Administrator shall determine the Partial Prepayment Factor by the procedure indicated below.

- Step C.1 Calculate the Full Prepayment Amount from Step A.4 or B.5 above.
- Step C.2 Subtract the amount of the Partial Prepayment from the Full Prepayment amount calculated in Part A or Part B above.
- Step C.3 Subtract any fixed costs of the Prepayment (such as the cost of the Prepayment calculation and other fees which do not vary proportionally with the size of the Prepayment) from the Full Prepayment amount in Step C.1.
- Step C.4 Divide the result of Step C.2 by the result of Step C.3 to arrive at the Partial Prepayment Factor. The Partial Prepayment Factor is used to decrease the Maximum Annual Special Tax for the Parcel for which the Special Tax is partially prepaid.
- Step C.5 If a Partial Prepayment has previously been made for this Parcel, multiply the result of Step C.4 times the previously calculated Partial Prepayment Factor.

## **8. Appeals**

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

## **9. Interpretations of the Special Tax Formula**

The District reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Taxes. The interpretation and application of any section of this document shall be left to the District's discretion. Interpretations may be made by ordinance or resolution of the Board 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.

## 10. Collection of Annual Special Tax

The Special Tax will be collected in the same manner and at the same time as the *ad valorem* property taxes; provided, however, that the District 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.

# DRAFT

Attachment 1  
CFD No. 2006-1 (Feather Glen)  
Maximum Annual Special Tax - Original Parcels - Base Year 2007-2008

Original Parcel	Planned Units	Maximum Annual Special Tax Per Planned Unit	Maximum Annual Special Tax Per Original Parcel
014-260-125	10	\$1,665	\$16,650
014-260-126	27	\$1,665	\$44,955
014-260-127	9	\$1,665	\$14,985
014-260-131	47	\$1,665	\$78,255
014-260-132	55	\$1,665	\$91,575
014-260-133	149	\$1,665	\$248,085
014-260-134	130	\$1,665	\$216,450
014-811-001	1	\$1,665	\$1,665
014-811-002	1	\$1,665	\$1,665
014-811-003	1	\$1,665	\$1,665
014-811-004	1	\$1,665	\$1,665
014-811-005	1	\$1,665	\$1,665
014-811-006	1	\$1,665	\$1,665
014-811-007	1	\$1,665	\$1,665
014-811-008	1	\$1,665	\$1,665
014-811-009	1	\$1,665	\$1,665
014-811-010	1	\$1,665	\$1,665
014-811-011	1	\$1,665	\$1,665
014-811-012	1	\$1,665	\$1,665
014-811-013	1	\$1,665	\$1,665
014-811-014	1	\$1,665	\$1,665
014-811-015	1	\$1,665	\$1,665
014-811-016	1	\$1,665	\$1,665
014-811-017	1	\$1,665	\$1,665
014-811-018	1	\$1,665	\$1,665
014-812-001	1	\$1,665	\$1,665
014-812-002	1	\$1,665	\$1,665
014-813-001	1	\$1,665	\$1,665
014-813-002	1	\$1,665	\$1,665
014-813-003	1	\$1,665	\$1,665
014-813-004	1	\$1,665	\$1,665
014-813-005	1	\$1,665	\$1,665
014-814-001	1	\$1,665	\$1,665
014-814-002	1	\$1,665	\$1,665
014-814-003	1	\$1,665	\$1,665
014-814-004	1	\$1,665	\$1,665
014-814-005	1	\$1,665	\$1,665
014-815-001	1	\$1,665	\$1,665
014-815-002	1	\$1,665	\$1,665
014-815-003	1	\$1,665	\$1,665
014-815-004	1	\$1,665	\$1,665
014-815-005	1	\$1,665	\$1,665
014-816-001	1	\$1,665	\$1,665
014-816-002	1	\$1,665	\$1,665
014-816-003	1	\$1,665	\$1,665
014-816-004	1	\$1,665	\$1,665
014-816-005	1	\$1,665	\$1,665
014-816-006	1	\$1,665	\$1,665
014-817-001	1	\$1,665	\$1,665
014-817-002	1	\$1,665	\$1,665
014-817-003	1	\$1,665	\$1,665
014-817-004	1	\$1,665	\$1,665

# DRAFT

Attachment 1  
CFD No. 2006-1 (Feather Glen)  
Maximum Annual Special Tax - Original Parcels - Base Year 2007-2008

Original Parcel	Planned Units	Maximum Annual Special Tax Per Planned Unit	Maximum Annual Special Tax Per Original Parcel
014-817-005	1	\$1,665	\$1,665
014-817-006	1	\$1,665	\$1,665
014-817-007	1	\$1,665	\$1,665
014-821-001	1	\$1,665	\$1,665
014-821-002	1	\$1,665	\$1,665
014-821-003	1	\$1,665	\$1,665
014-821-004	1	\$1,665	\$1,665
014-821-005	1	\$1,665	\$1,665
014-821-006	1	\$1,665	\$1,665
014-821-007	1	\$1,665	\$1,665
014-821-008	1	\$1,665	\$1,665
014-822-001	1	\$1,665	\$1,665
014-822-002	1	\$1,665	\$1,665
014-822-003	1	\$1,665	\$1,665
014-822-004	1	\$1,665	\$1,665
014-822-005	1	\$1,665	\$1,665
014-822-006	1	\$1,665	\$1,665
014-822-007	1	\$1,665	\$1,665
014-823-001	1	\$1,665	\$1,665
014-823-002	1	\$1,665	\$1,665
014-823-003	1	\$1,665	\$1,665
014-823-004	1	\$1,665	\$1,665
014-823-005	1	\$1,665	\$1,665
014-823-006	1	\$1,665	\$1,665
014-823-007	1	\$1,665	\$1,665
014-823-008	1	\$1,665	\$1,665
014-823-009	1	\$1,665	\$1,665
<b>Totals</b>	<b>499</b>		<b>\$830,835</b>

"att\_1"

**NOTES:**

[1] Planned Units are assigned to Original Parcels at formation of the CFD. As Original Parcels are Subdivided, Planned Units are allocated to new Successor Parcels based on the Tentative Map and other records of the County. All Planned Units (499) should be allocated to new Successor Parcels. To the extent 499 Planned Units are not created by Final Subdivision Maps, the Administrator may require the Prepayment of the Special Tax obligation for Planned Units that are "lost" in the Subdivision process.

[2] The Maximum Annual Special Tax per Planned Unit is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year.

**EXHIBIT C**

**Form of Notice of Public Hearing**

**NOTICE OF PUBLIC HEARING**

**ON PROPOSED ESTABLISHMENT OF A COMMUNITY  
FACILITIES DISTRICT AND ISSUANCE OF DEBT**

**OLIVEHURST PUBLIC UTILITY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(FEATHER GLEN)**

**NOTICE IS HEREBY GIVEN** that the Board of Directors (the "Board") of the Olivehurst Public Utility District (the "District") on October 19, 2006, adopted its Resolution No. 2138, in which it declared its intention to establish a community facilities district, to levy a special tax to pay for certain facilities, and to incur bonded indebtedness all pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the boundaries of the proposed district, the facilities proposed to be financed, and the rate, method of apportionment, and manner of collection of the proposed special tax. The District proposes to tax all interests in property that may be taxed under the Act. In the resolution, the Board also declared the necessity to incur a bonded indebtedness in the amount of \$15,000,000 to finance all or a portion of the proposed facilities. Any bonds issued would be secured by the special taxes to be levied in the proposed community facilities district. For further details, the resolution is available in the District office at 1970 9<sup>th</sup> Avenue, Olivehurst, California.

**NOTICE IS HEREBY FURTHER GIVEN** that the Board has fixed Thursday, November 30, 2006, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the regular meeting place of the Board, 1979 9<sup>th</sup> Avenue, Olivehurst, California, as the time and place when and where the Board will hold a public hearing to consider the establishment of the district and the issuance of debt. At the hearing, the testimony of all interested persons, including all persons owning property in the area, or taxpayers for or against the establishment of the district, the extent of the district, the furnishing of the specified public facilities, the levy of the special tax, and the debt issue will be heard.

If six registered voters residing within the proposed district or the owners of one-half or more of the area of land in the territory included in the district and not exempt from the special tax file written protests against the establishment of the district, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, the creation of the district and the tax levy shall not be considered for a period of one year from the date of the decision of the Board after the hearing. If the majority protests of the registered voters or landowners are only against a specific type of facility or a specified tax, then that type of facility or tax shall be precluded.



**NOTICE IS HEREBY FURTHER GIVEN** that if, at the conclusion of the public hearing, the Board determines to establish the district, the Board will order an election to be held by the landowners of the district by mailed ballot, with each landowner having one vote for each acre or portion of an acre of land that such landowner owns within the proposed district, on the questions of levying the special tax and incurring debt.

DATED: 11/14, 2006



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District Clerk & ex-officio Secretary  
Olivehurst Public Utility District