

BOARD OF SUPERVISORS

AGENDA

Meetings are located at:
Yuba County Government Center
Board Chambers, 915 Eighth Street
Marysville, California



Agenda materials are available at the Yuba County Government Center, 915 8th Street, Marysville and www.co.yuba.ca.us. Any disclosable public record related to an open session item and distributed to all or a majority of the Board less than 72 hours prior to the meeting is available for public inspection at Suite 109 of the Government Center during normal business hours.

JULY 29, 2014

9:30 A.M.

YUBA COUNTY BOARD OF SUPERVISORS SPECIAL MEETING

Welcome to the Yuba County Board of Supervisors special meeting. As a courtesy to others, please turn off cell phones, pagers, or other electronic devices, which might disrupt the meeting. The public will be given opportunity to comment on action items on the agenda when the item is heard. Comments will be limited to five minutes.

I. **PLEDGE OF ALLEGIANCE** - Led by Supervisor Abe

II. **ROLL CALL** - Supervisors Vasquez, Nicoletti, Griego, Abe, Stocker

III. **COUNTY DEPARTMENTS**

A. County Administrator

1. (316-14) Adopt resolution approving and authorizing execution of deposit/reimbursement agreement relative to issuance of special tax bonds for Improvement Area C of Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) and authorizing actions related to the bonds; and

Adopt resolution reducing maximum special tax for single family residential property in Improvement Area C of Community Facilities District No. 2005-1, clarifying rate and method of apportionment of special tax and authorizing related actions necessary to implement. (Fifteen minute estimate)

IV. **ADJOURN**

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made two full business days before the start of the meeting. To place an item on the agenda, contact the office of the Clerk of the Board of Supervisors at (530) 749-7510.



The County of Yuba

Office of the County Administrator

Robert Bendorf, County Administrator

TO: Yuba County Board of Supervisors
FROM: Robert Bendorf, County Administrator *RB*
RE: Actions related to the proposed issuance of special tax bonds for, and the levy of special taxes on properties in Improvement Area C of Community Facilities District No. 2005-1
DATE: July 29, 2014

RECOMMENDATION

It is recommended that the Board of Supervisors adopt the following two resolutions related to Improvement Area C of Community Facilities District No. 2005-1:

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION BY THE COUNTY ADMINISTRATOR OF A DEPOSIT/REIMBURSEMENT AGREEMENT RELATIVE TO THE PROPOSED ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT AREA C OF THE COUNTY OF YUBA COMMUNITY FACILITIES DISTRICT NO. 2005-1 (ORCHARD/MONTROSE PUBLIC IMPROVEMENTS), AND AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT TO THE BONDS

RESOLUTION REDUCING MAXIMUM SPECIAL TAX FOR SINGLE FAMILY RESIDENTIAL PROPERTY IN IMPROVEMENT AREA C OF THE COUNTY OF YUBA COMMUNITY FACILITIES DISTRICT NO. 2005-1 (ORCHARD/MONTROSE PUBLIC IMPROVEMENTS), CLARIFYING RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX AND AUTHORIZING RELATED ACTIONS

BACKGROUND / DISCUSSION

On June 10, 2014, the Board of Supervisors received a report regarding a request by Woodside Homes that the County issue special tax bonds for Improvement Area C of Community Facilities District No. 2005-1, and levy a special tax on properties located in the Improvement Area to repay the bonds. The report provided information on the history of the proceedings undertaken by the Board relative to the Community Facilities District, the

Improvement Area, the Acquisition Agreement between the County, for the Improvement Area, and Woodside Montrose Inc., and described policy issues, Woodside's request and options for the Board to consider in response to that request. The Board directed Staff to begin the actions needed to issue the bonds and levy the special tax, provided that Woodside notify the homeowners in the Improvement Area of the proposed actions and advise them of the Board meeting at which the Board would begin the process to issue the bonds and levy the special tax.

In furtherance of the Board's direction on June 10th, Staff, working with the County's consultants for the Community Facilities District, have prepared (i) a Deposit/Reimbursement Agreement whereby Woodside Montrose Inc. will advance funds needed to pay costs related to the proposed bond issue, subject to reimbursement from bond proceeds when and if the bonds are issued, (ii) a Resolution approving that agreement and designating the consultants that will assist the County in connection with the issuance of the bonds, and (iii) a Resolution reducing the maximum special tax that may be levied annually on single family homes in the Improvement Area to repay the bonds and clarifying the last year in which the special tax may be levied. Adoption by the Board of the two resolutions will allow Staff to move forward with the preparation of the bond issuance documents for Board approval at a later Board meeting, and allow for the levy of the special tax commencing in fiscal year 2014-2015 on homes in the Improvement Area at a tax rate of \$1,240 per home per year. The special tax would be levied each year on homes constructed in the Improvement Area until the bonds to be issued are fully repaid, but not later than fiscal year 2044-2045.

Woodside has sent a letter, a copy of which is included with this Report, to all of the homeowners in the Improvement Area advising them of the July 29th Board meeting and the proposed levy of the special tax at a reduced maximum tax rate, and providing the homeowners with a "Montrose CFD Fact Sheet" describing certain facts related to the special tax levy and providing a contact person to answer questions related to the special tax and the Community Facilities District. Woodside has also executed a Deposit/Reimbursement Agreement and has submitted a check for \$48,000 to the County Administrator to cover the costs of the County to process the bond issue, and a written Request that the Board reduce the maximum special tax that may be levied on homes to repay the bonds and related County administrative costs, and confirming its understanding of the last fiscal year in which special tax may be levied.

The first Resolution for the Board's consideration approves the Deposit/Reimbursement Agreement and authorizes the County Administrator and the Treasurer-Tax Collector to take actions to implement the Agreement, and directs Staff to take all actions necessary to present to the Board the proceedings necessary to issue the bonds. The Resolution designates the following consultants to assist the County in that effort: Stifel Nicolaus & Company Incorporated as underwriter for the bonds, Goodwin Consulting Group, Inc. as special tax consultant, Fieldman, Rolapp & Associates as financial advisor, Quint & Thimmig LLP as bond counsel and disclosure counsel, and Seevers Jordan Ziegenmeyer as appraiser. The Resolution authorizes the County Administrator to execute agreements with those firms for their services, so long as their fees are paid solely from the deposit

Woodside advanced under the Deposit/Reimbursement Agreement or the proceeds of the bonds.

In light of Woodside's agreement to pay the County's costs to issue the bonds (subject to reimbursement from bond proceeds, when and if the bonds are issued), the adoption of this Resolution will have no impact on the County's General Fund. If the bonds are issued, the annual administrative costs of the County related to the bonds and the Improvement Area, and the annual debt service on the bonds, will be paid from special taxes levied on property in the Improvement Area.

The second Resolution for the Board's consideration directs that the maximum annual special tax levy on homes in the Improvement Area be reduced from \$1,550 to \$1,240, and clarifies that the special tax may not be levied after fiscal year 2044-2045. If the Resolution is adopted, it is expected that the special tax will be levied in fiscal year 2014-2015 on homes in the Improvement Area, and each fiscal year thereafter until the bonds issued for the Improvement Area have been fully repaid and all County administrative expenses related to the bonds and the Improvement Area have been paid.

As discussed in the Report submitted at the June 10th Board meeting, if the bonds are issued, proceeds of the bonds will be used to pay costs incurred by Woodside in connection with the construction of infrastructure improvements for the Woodside/Montrose development pursuant to an Acquisition Agreement between the County, for the Improvement Area, and Woodside Montrose Inc. that was executed by the parties in April of 2008 and amended on December 30, 2013. The principal amount of the bonds to be issued will be determined based on the advice of the bond underwriter and the County's financial advisor, but not in any case more than \$4,000,000. It is expected that the documents needed to issue the bonds will be presented to the Board for approval in the fall of this year, and if they are approved by the Board the bonds will be issued before the end of 2014.

FISCAL IMPACT

For the County, there is no fiscal impact related to the issuance of the bonds and associated administrative responsibilities, as those costs are reimbursed. For the property owner within Improvement Area C, the maximum annual fiscal impact is \$1,240.



July 15, 2014

OWNERFIRST OWNERLAST
MAILADDRESS
MAILCITY, MAILSTATE MZIPANDZIP

Important Notice: Scheduled Property Tax Levy

Dear Mr./Mrs. OWNERLAST,

Montrose by Woodside Homes, which includes Countryside, is one of the most desirable communities in Yuba County. Eight years after the first homes were sold, more than 80% of the homes are still owned by the original buyer. Montrose is now more than 80% complete, demand for new homes is strong and property values are on the rise.

This stability is due in large part to the well-maintained public infrastructure that serves your community. As stated in your home purchase agreement, your neighborhood's infrastructure, such as streets and flood protection, were to be financed by a Community Facilities District (CFD) established in 2005. Therefore, those costs were not included in the initial purchase price of your home.

In 2008, the County levied the CFD special tax, but in response to the economic downturn, collection of the tax was delayed. Now that the economy has improved and home values have rebounded, **this CFD special tax is scheduled to begin in 2014**. The good news is that a preliminary agreement has been reached to reduce the maximum annual special tax from \$1,550 to \$1,240 a year, 20% less than originally authorized or a savings of \$310 per year for every homeowner. On July 29, 2014, the Yuba County Board of Supervisors will consider Woodside's request to reduce the special tax to \$1,240 per year.

For additional information, we encourage you to refer to your home purchase agreement and the mandatory special tax disclosure addendum, your Title Policy and the attached fact sheet. If you have additional questions, please contact Marko Mlikotin at info@rivercitycomm.com or call (916) 817-4444.

Thank you for making Montrose your home, and be assured that Woodside Homes remains committed to protecting your community's quality of life.

Sincerely,

Scott Hoisington, President
Woodside Homes

Montrose CFD Fact Sheet

What is a Community Facilities District?

A **Community Facilities District** (CFD) is a tool commonly used by homebuilders and local government to fund local infrastructure such as streets, sound walls, landscaping, water and sewer systems and flood control detention facilities. CFDs are established pursuant to the Community Facilities Act of 1982. As reflected in your home purchase agreement, a 30-year bond, paid for by a special tax, finances the Orchard/Montrose special district (Ord.1437, Jan. 22, 2008). CFDs are an effective tool to make homeownership more affordable and to finance a portion of your neighborhood's public improvements.

How is the Special Tax Levied?

Woodside Homes has proposed to reduce the maximum annual special tax to \$1,240 for each home, which is 20% less than the authorized special tax of \$1,550 or a \$310 per year reduction to each homeowner. If this is approved by Yuba County, the special tax will be added to the property tax bills that will be mailed out in October. Woodside Homes' request to reduce the special tax amount will be considered by the Yuba County Board of Supervisors on July 29, 2014.

If your mortgage payments include impounds for taxes and insurance, this CFD special tax of about \$100 a month will be added to your monthly payment. If you are not subject to mortgage impounds, the first half of your first annual CFD special tax will be due in November and delinquent if not paid by December 10.

How do Homeowners Benefit from a CFD?

This type of infrastructure financing makes home ownership more affordable and ensures all public amenities are fully operational before the full build out of a new housing development. CFDs can enhance a community's quality of life, which leads to higher property values.

Can this Special Tax Increase Over Time?

No, the CFD special tax cannot be increased. In fact, it is being reduced 20% from what was originally authorized and disclosed in your purchase agreement.

How can I learn more?

We encourage you to review your home purchase agreement. We are also available to address any questions you may have. Please contact Marko Mlikotin at info@rivercitycomm.com or call (916) 817-4444.

**REQUEST FOR REDUCTION OF MAXIMUM SPECIAL TAX FOR SINGLE
FAMILY RESIDENTIAL PROPERTY UNDER THE RATE AND METHOD OF
APPORTIONMENT OF SPECIAL TAXES AND CONFIRMATION OF LAST
FISCAL YEAR IN WHICH SPECIAL TAX MAY BE LEVIED**

**Improvement Area C of the County of Yuba
Community Facilities District No. 2005-1
(Orchard/Montrose Public Improvements)**

To the Board of Supervisors
of the County of Yuba
915 8th Street
Marysville, California 95901-5273

Members of the Board of Supervisors:

Woodside Montrose Inc. (the "Developer") has been developing the real property located in Improvement Area C of the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) (the "Improvement Area") that is subject to the levy of special taxes by the County of Yuba (the "County") to pay costs of facilities eligible to be funded by the Improvement Area (the "Facilities"), including the debt service on bonds that may be issued by the County for the Improvement Area (the "Bonds") to finance the purchase prices of the Facilities under an Acquisition Agreement, dated as of April 1, 2008, between the Developer and the County, on behalf of the Improvement Area (as amended by Supplement No. 1 to Acquisition Agreement, dated as of December 30, 2013, between the County, on behalf of the Improvement Area and the Developer, the "Acquisition Agreement").

The Developer has requested that the Board of Supervisors of the County consider the issuance of the Bonds in accordance with the Acquisition Agreement. In any event, the Developer acknowledges that under the Rate and Method of Apportionment of Special Tax for the Improvement Area (the "Rate and Method"), pursuant to which special taxes are levied on property in the Improvement Area as provided in Ordinance No. 1437 adopted by the Board of Supervisors of the County on January 22, 2008, the Maximum Special Tax on Single Family Residential Property (as such capitalized terms are used in the Rate and Method), given the current prices at which homes in the Improvement Area are being sold, is in excess of that contemplated at the time the Improvement Area was established and is in excess of that contemplated by the County's Land Secured Financing Policies adopted by the Board of Supervisors of the County on April 20, 2004.

In connection with the proceedings by the Board of Supervisors to designate the Improvement Area, an election was held on January 7, 2008, in which the Developer voted in favor of the Rate and Method for the Improvement Area. Section I of the Rate and Method specifies a Fiscal Year after which no Special Tax will be levied on property in the Improvement Area. The Developer understood that the Fiscal Year so specified in the Rate and Method was intended to be Fiscal Year 2044-2045; however it appears that Section F of the Rate and Method

recorded on January 25, 2008 in the Yuba County Recorder's Office as Document No. 2008R-001166, provides that the last such Fiscal Year is 2041-45.

In light of the foregoing, the Developer hereby states as follows:

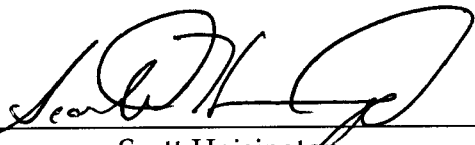
1. Request to Reduce Maximum Special Tax Under the Rate and Method. The Developer hereby request that the Board of Supervisors of the County take whatever action is necessary to forever lower the Maximum Special Tax that may be levied on Single Family Residential Property in the Improvement Area under the Rate and Method from \$1,550 per year per Residential Unit (as defined in the Rate and Method) to \$1,240 per year per Residential Unit, whether said Maximum Special Tax is computed under Section C or D of the Rate and Method.

2. Acknowledgement of Reduced Bonding Capacity. The Developer acknowledges that the reduction in the Maximum Special Tax described in Section 1 will result in a reduced bonding capacity of the Improvement Area, and less funds available to pay the purchase prices of the Facilities under the Acquisition Agreement, should the County issue the Bonds for the Improvement Area. Nevertheless, the Developer desires that the County take the actions necessary to implement the reduction in the Maximum Special Tax on Single Family Residential Property as described in Section 1 above.

3. Confirmation of Last Year of Special Tax Levy. The Developer hereby confirms its intent, in voting for the Rate and Method at the January 8, 2008 election described above, that the last Fiscal Year in which the Special Tax may be levied in the Improvement Area was intended to be Fiscal Year 2044-2045.

Dated: July __, 2014

WOODSIDE MONTROSE INC.

By: 

Scott Hoisington,
President

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

In Re:

**RESOLUTION APPROVING AND)
AUTHORIZING THE EXECUTION OF A)
DEPOSIT/REIMBURSEMENT AGREEMENT)
RELATIVE TO THE PROPOSED ISSUANCE OF)
SPECIAL TAX BONDS FOR IMPROVEMENT)
AREA C OF THE COUNTY OF YUBA) Resolution No. _____
COMMUNITY FACILITIES DISTRICT NO.)
2005-1 (ORCHARD/MONTROSE PUBLIC)
IMPROVEMENTS), AND AUTHORIZING AND)
DIRECTING ACTIONS WITH RESPECT TO THE)
BONDS)**

WHEREAS, the Board of Supervisors (the “Board”) of the County of Yuba (the “County”) has formed the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) (the “District”) pursuant to Resolution No. 2005-271 adopted by the Board on November 8, 2005 (the “Resolution of Formation”), and in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), in order to finance public infrastructure improvements (the “Improvements”) as referred to in the Resolution of Formation; and

WHEREAS, subsequent to the formation of the District, the Board undertook proceedings under the Act to designate three improvement areas within the District, as described in Resolution N. 2007-120 adopted by the Board on August 28, 2007, including an Improvement Area C of the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) (“Improvement Area C”); and

WHEREAS, upon the completion of the designation of the three improvement areas of the District, the County, for and on behalf of Improvement Area C, entered into an Acquisition Agreement, dated as of April 1, 2008 (the “Original Acquisition Agreement”) with Woodside Montrose Inc. (the “Developer”), whereby the County agreed to use proceeds of any bonds issued by the County for Improvement Area C (the “Bonds”) to pay the costs of certain of the Improvements described therein that were constructed by the Developer in accordance with the requirements of the Original Acquisition Agreement; and

WHEREAS, the County, for and on behalf of Improvement Area C, entered into a Supplement No. 1 to Acquisition Agreement, dated as of December 30, 2013 (the “Supplement”) with the Developer (the Original Acquisition Agreement, as amended by the Supplement, is referred to herein as the “Acquisition Agreement”), extending the time by which the Bonds may be issued; and

WHEREAS, the Developer has now requested that the County proceed with the issuance of the Bonds and the funding of the costs of certain of the Improvements, as contemplated by the Acquisition Agreement; and

WHEREAS, the Bonds, when and if issued, will be limited obligations of the County for Improvement Area C, payable from the proceeds of special taxes levied on property situated in Improvement Area C; and

WHEREAS, there is on file with the Clerk of the Board a Deposit/Reimbursement Agreement (the "Agreement"), to be executed by the County, for and on behalf of Improvement Area C, and the Developer whereby the Developer agrees to pay costs incurred by the County in connection with the proposed issuance of the Bonds, and this Board now desires to authorize the execution and delivery by the County of the Agreement, to employ certain consultants necessary for the sale of the Bonds, and to authorize and direct County Staff to take actions necessary to present to this Board for approval the documents necessary to issue the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Yuba as follows:

Section 1. The County Administrator is hereby authorized and directed to execute the Agreement for the County, on behalf of Improvement Area C, and to take all actions necessary, in his discretion, to implement the Agreement. The County Treasurer-Tax Collector is hereby authorized and directed to accept the Initial Deposit (as defined in the Agreement), and to use the Initial Deposit and any other funds advanced by the Developer pursuant to the Agreement in the manner contemplated by the Agreement.

Section 2. County Staff are hereby authorized and directed to take all actions necessary or advisable to present to this Board for its consideration all proceedings necessary to issue the Bonds. However, the passage of this Resolution shall in no way obligate the County to issue the Bonds for Improvement Area C.

Section 3. The firm of Stifel Nicolaus & Company Incorporated is hereby designated as underwriter to the County for the Bonds. The County Administrator is hereby authorized to execute such documents as are requested by said firm in connection with its designation as underwriter for the Bonds, subject to review by County Counsel and/or the financial advisor to the County for the Bonds designated in Section 4 below, as determined necessary or advisable by the County Administrator.

Section 4. The firm of Goodwin Consulting Group, Inc. is hereby designated as Special Tax Consultant to the County, the firm of Fieldman, Rolapp & Associates is hereby designated as Financial Advisor to the County, the law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel and Disclosure Counsel to the County, the firm of Seevers Jordan Ziegenmeyer is hereby designated as appraiser for the County, all in connection with the issuance of the Bonds for Improvement Area C. The County Administrator is hereby authorized and directed to execute agreements with said firms for their services in connection with the Bonds, in the respective forms on file with the Clerk of the Board or otherwise in a form acceptable to the County Administrator and County Counsel. The fees and expenses of the consultants heretofore described in this Section 4 shall be payable solely from the Deposits (as such term is defined in

the Agreement) and/or the proceeds of the Bonds, when and if they are issued by the County for Improvement Area C.

Section 5. The Chairman of the Board, the County Administrator, the Treasurer-Tax Collector, the Auditor-Controller, County Counsel, the Clerk of the Board and all other officers and agents of the County are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

Section 6. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Supervisors of the County of Yuba on the 29th day of July, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

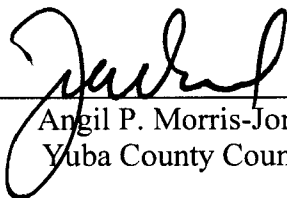
COUNTY OF YUBA

By: _____
Chair, Board of Supervisors

ATTEST: DONNA STOTTLEMEYER,
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM

By:  _____
Angil P. Morris-Jones,
Yuba County Counsel

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

In Re:

RESOLUTION REDUCING MAXIMUM SPECIAL)
TAX FOR SINGLE FAMILY RESIDENTIAL)
PROPERTY IN IMPROVEMENT AREA C OF)
THE COUNTY OF YUBA COMMUNITY)
FACILITIES DISTRICT NO. 2005-1) Resolution No. _____
(ORCHARD/MONTROSE PUBLIC)
IMPROVEMENTS), CLARIFYING RATE AND)
METHOD OF APPORTIONMENT OF SPECIAL)
TAX AND AUTHORIZING RELATED ACTIONS)

WHEREAS, under and pursuant to proceedings conducted by this Board of Supervisors (the “Board”) of the County of Yuba (the “County”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), the Board has formed the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) (the “District”), and has designated an Improvement Area C therein (“Improvement Area C”), all as described in Resolution No. 2005-1 adopted by the Board on November 8, 2005 and Resolution No. 2008-08 adopted by the Board on January 15, 2008, respectively; and

WHEREAS, subsequent to the designation of Improvement Area C, the Board adopted Ordinance No. 1437 on January 22, 2008 providing for the levy of a special tax (the “Special Tax”) on real property located within Improvement Area C pursuant to an Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area C (the “Rate and Method”) approved by Resolution No. 2007-120 adopted by the Board on August 28, 2007; and

WHEREAS, to date, the Special Tax has not been levied by the County on property in Improvement Area C; and

WHEREAS, the County, for and on behalf of Improvement Area C, and Woodside Montrose Inc. (the “Developer”) are parties to an Acquisition Agreement, dated as of April 1, 2008 (as amended by Supplement No. 1 to Acquisition Agreement, dated as of December 30, 2014, between the County, for and on behalf of Improvement Area C, and the Developer, the “Acquisition Agreement”), whereby the County, at the request of the Developer, agreed to consider the issuance of bonds of the County for Improvement Area C (the “Bonds”) to finance certain public infrastructure improvements constructed by the Developer, provided that such issuance is in accordance with the requirements of the Acquisition Agreement, which include compliance with the County’s Land Secured Financing Policies, adopted by the Board on April 20, 2004 (the “Policies”), all as more fully set forth in the Acquisition Agreement; and

WHEREAS, the Bonds, when and if issued, would be secured by a pledge of, and will be payable from the proceeds of, the Special Tax authorized to be levied on property in Improvement Area C; and

WHEREAS, the Developer has now requested that the County consider the issuance of the Bonds for Improvement Area C, and in order to assure that the issuance of the Bonds is in accordance with the Policies, the Developer has requested that the Board take action to forever reduce the Maximum Special Tax that may be levied on Single Family Residential Property pursuant to, and as such capitalized terms are defined in, the Rate and Method; and

WHEREAS, the Board is willing to consider the issuance of the Bonds by the County for Improvement Area C, and now desires to forever lower the Maximum Special Tax that may be levied on Single Family Residential Property, as provided in this Resolution; and

WHEREAS, Section I of the Rate and Method provides that the County by resolution of the Board may clarify any vagueness or ambiguity in the Rate and Method, and the Board now desires to clarify a provision in Section F of the Rate and Method regarding the final fiscal year in which the Special Tax may be levied.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Yuba as follows:

Section 1. The Board hereby irrevocably and forever agrees and directs that the Maximum Special Tax that may be levied on Single Family Residential Property in Improvement Area C under the Rate and Method, whether determined under Section C or Section D of the Rate and Method, shall be reduced from \$1,550 per year (or such other amount as may have been determined under Section D of the Rate and Method), to \$1,240 per Residential Unit (as defined in the Rate and Method), per year.

Section 2. The Board hereby clarifies the provisions of the second sentence of the second paragraph of Section F of the Rate and Method, to the effect that the final Fiscal Year (as defined in the Rate and Method) in which the Special Tax may be levied is Fiscal Year 2044-45. Accordingly, said sentence should read as follows: "However, in no event shall a Special Tax be levied after Fiscal Year 2044-45."

Section 3. The County Administrator, the Clerk of the Board and all other applicable officers of the County are hereby directed to take all actions necessary under the Act to implement the reduction in the Maximum Special Tax that may be levied on Single Family Residential Property as directed in Section 1 above and the clarification of the Rate and Method described in Section 2 above, all as directed by bond counsel to the County for Improvement Area C, including but not limited to the recordation of an amendment to the Amended Notice of Special Tax Lien, recorded in the Yuba County Recorder's Office on January 25, 2008, as document number 2008R-001166, in a form prepared by bond counsel.

Section 4. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Supervisors of the County of Yuba on the 29th day of July, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

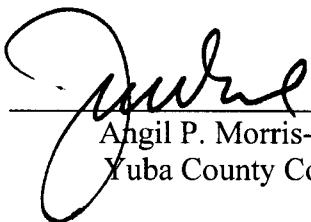
COUNTY OF YUBA

By: _____
Chair, Board of Supervisors

ATTEST: DONNA STOTTLEMEYER,
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM

By:  _____
Angil P. Morris-Jones,
Yuba County Counsel

25002.03:J12756
7/16/14

DEPOSIT/REIMBURSEMENT AGREEMENT**Improvement Area C of the
County of Yuba
Community Facilities District No. 2005-1
(Orchard/Montrose Public Improvements)**

THIS DEPOSIT/REIMBURSEMENT AGREEMENT (the "Agreement") is by and between the County of Yuba, California (the "County") for itself and on behalf of Improvement Area C of the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) ("Improvement Area C"), and Woodside Montrose Inc. (the "Developer").

RECITALS:

WHEREAS, the Board of Supervisors (the "Board") of the County of Yuba (the "County") has formed the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) (the "District") pursuant to Resolution No. 2005-271 adopted by the Board on November 8, 2005 (the "Resolution of Formation"), and in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), in order to finance public infrastructure improvements (the "Improvements") as referred to in the Resolution of Formation; and

WHEREAS, subsequent to the formation of the District, the Board undertook proceedings under the Act to designate three improvement areas within the District, as described in Resolution No. 2007-120 adopted by the Board on August 28, 2007, including an Improvement Area C of the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements) ("Improvement Area C"); and

WHEREAS, upon the completion of the designation of the three improvement areas of the District, the County, for and on behalf of Improvement Area C, entered into an Acquisition Agreement, dated as of April 1, 2008 (the "Original Acquisition Agreement") with the Developer whereby the County agreed to use proceeds of any bonds issued by the County for Improvement Area C (the "Bonds") to pay the costs of certain of the Improvements described therein that were constructed by the Developer in accordance with the requirements of the Original Acquisition Agreement; and

WHEREAS, the County, for and on behalf of Improvement Area C, entered into a Supplement No. 1 to Acquisition Agreement, dated as of December 30, 2013 (the "Supplement") with the Developer (the Original Acquisition Agreement, as amended by the Supplement, is referred to herein as the "Acquisition Agreement"), extending the time by which the Bonds may be issued; and

WHEREAS, the Developer has now requested that the County proceed with the issuance of the Bonds and the funding of the costs of certain of the Improvements, as contemplated by the Acquisition Agreement; and

WHEREAS, the Developer is willing to deposit funds with the County to ensure payment of the costs of the County in connection with the issuance of the Bonds and the proposed expenditure of the proceeds thereof, provided that such funds so advanced are reimbursed to the Developer from the proceeds of the Bonds when and if they are issued by the County to the extent provided herein; and

WHEREAS, the County and the Developer now desire to specify the terms of said deposit and reimbursement.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The Initial Deposit; Additional Advances. The Developer, at the time it executed this Agreement, provided to the County \$48,000.00 (the "Initial Deposit"), to be used by the County to pay the costs in conducting proceedings for the issuance of bonds for Improvement Area C (as more fully described in Section 2(a) below, the "Initial Costs"), said amount having been heretofore delivered by the Developer to the County Administrator's Office. The County, by its execution hereof, acknowledges receipt by the County of the Initial Deposit.

The Developer hereby agree to advance to the County any additional amounts (the "Additional Deposits") determined by the County Administrator as necessary to pay any Initial Costs incurred or reasonably expected to be incurred by the County, in excess of the amount of the Initial Deposit, within seven (7) days after receipt by the Developer of a written demand therefore from the County Administrator or the County Treasurer-Tax Collector. The County Administrator may direct County staff and consultants to cease all work related to the issuance of the Bonds if any Additional Deposits are not received within seven (7) days of receipt by the Developer of a demand therefor, in each case until the respective amount is received by the County.

The Initial Deposit and any Additional Deposits are collectively referred to herein as the "Deposits." The Deposit may be commingled with other funds of the County for purposes of investment and safekeeping, but the County shall at all times maintain records as to the expenditure of the Deposits.

Section 2. Use of Funds. The Deposits shall be administered as follows:

(a) The County Treasurer-Tax Collector may draw upon the Deposits from time to time to pay the Initial Costs, including but not limited to: (i) the fees and expenses of any consultants to the County employed in connection with the issuance of the Bonds and the proposed expenditure of the proceeds thereof (such as engineering, legal counsel, including the County Counsel, Bond and Disclosure Counsel, and financial advisor and special tax consultants); (ii) the costs of market absorption studies, appraisals and other reports necessary or deemed advisable by County staff or consultants in connection with the Bonds; (iii) costs of publication of notices, preparation and other costs related to any bonded indebtedness of Improvement Area C; (iv) a reasonable charge for County staff time, as determined by the County Administrator in his sole discretion, in analyzing the Bonds and the expenditure of the proceeds thereof, including a reasonable allocation of County overhead expense related thereto; and (v) any and all other costs and expenses incurred by the County with respect to the Bonds. The Developer hereby acknowledges that, at a minimum, the following amounts will or may be charged against the Deposits, whether or not the Bonds are issued: (i) \$14,000.00 to Goodwin Consulting Group, Inc., special tax consultant, (ii) \$5,000.00 to Fieldman, Rolapp & Associates, financial advisor to the County, (iii) \$14,000.00 to Seevers Jordan Ziegenmeyer, appraiser, and (iv) \$15,000.00 to the County for County Staff time in connection with the issuance of the Bonds and the expenditure of the proceeds thereof.

(b) If the Bonds are issued under the Act by the County for Improvement Area C secured by a pledge of and payable from proceeds of special taxes levied upon the land within Improvement Area C, the County shall provide for reimbursement to the Developer, without interest, of all amounts charged against the Deposits, said reimbursement to be made to the Developer solely from the proceeds of the Bonds and only to the extent otherwise permitted under the Act. On or within ten (10) business days after the date of issuance and delivery of the Bonds, the Treasurer-Tax Collector of the County shall return the then unexpended Deposits to the Developer, without interest, less an amount equal to any costs incurred by the County or that the County is otherwise committed to pay, which costs would be subject to payment under Section 2(a) above, but have not yet been so paid.

(c) If the Bonds are not issued, the Treasurer-Tax Collector of the County shall, within ten (10) business days after adoption by the Board of Supervisors of a resolution stating the intent of the County to terminate proceedings under the Act with respect to the issuance of the Bonds, return the then unexpended Deposits to the Developer, without interest, less an amount equal to any costs incurred by the County or that the County is otherwise committed to pay, which costs would be subject to payment under Section 2(a) above but have not yet been so paid.

Section 3. Reimbursement of Other Developer Costs. Nothing contained herein shall prohibit reimbursement of other reasonable costs and expenses of the Developer incurred in connection with the issuance of the Bonds, as such costs and expenses are verified by the County, but pursuant to the County's Land Secured Financing Policies adopted by the Board of Supervisors of the County on April 20, 2004, there will be no reimbursement for: (a) in house administrative and overhead expenses incurred by the Developer or expenses of the Developer counsel or consultants, (b) interest expense incurred by the Developer on moneys advanced or expended during the proceedings to issue the Bonds, or (c) any other costs and expenses incurred by the Developer which are not otherwise authorized for reimbursement under the Act and in accordance with the provisions of the Acquisition Agreement. Any such reimbursement shall be made solely from the proceeds of the Bonds and only to the extent otherwise provided for in the proceedings for the issuance of the Bonds.

Section 4. Agreement Not Debt or Liability of County. It is hereby acknowledged and agreed that this Agreement is not a debt or liability of the County, as provided in Section 53314.9(b) of the Act. The County shall not in any event be liable hereunder other than to return the unexpended and uncommitted portions of the Deposits as provided in Section 2 above, to provide an accounting under Section 6 below, and, if the Bonds are issued by the County for Improvement Area C, to reimburse the Developer from the proceeds of the Bonds as described in Sections 2(b) and 3 hereof. The County shall not be obligated to advance any of its own funds with respect to Improvement Area C or for any of the other purposes listed in Section 2(a) hereof. No member of the Board of Supervisors, or officer, employee or agent of the County shall to any extent be personally liable hereunder.

Section 5. No Obligation to Issue Bonds. The provisions of this Agreement shall in no way obligate the County to issue any Bonds for Improvement Area C, or to expend any funds in connection with Improvement Area C, except as may be expressly provided for in, and in any event subject to the provisions of, the Acquisition Agreement.

Section 6. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 7. Accounting. The County Treasurer-Tax Collector shall provide the Developer with a written accounting of moneys expended under this Agreement, within ten (10) business days of receipt by the Treasurer-Tax Collector of a written request therefore submitted to him by the Developer. No more than one accounting will be provided in any calendar month and the cost of providing the accounting shall be charged to the Deposits.

Section 8. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or one week following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

County: County of Yuba
County Administrator's Office
915 8th Street, Suite 115
Marysville, CA 95901-5273
Attention: County Administrator

with a copy to: Yuba County
Treasurer-Tax Collector's Office
915 8th Street, Suite 103
Marysville, CA 95901-4187
Attention: Treasurer-Tax Collector

and a copy to: Yuba County
Office of County Counsel
915 8th Street, Suite 111
Marysville, CA 95901
Attention: County Counsel

Developer: Woodside Montrose Inc.
111 Woodmere Drive, Suite 190
Folsom, CA 95630
Attention: Scott Hoisington,
President

Section 9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The Developer may not assign its rights and obligations under this Agreement without the prior written consent of the County.

Section 10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year written alongside their signature line below.

Executed as of July ____, 2014

WOODSIDE MONTROSE INC.

By: _____
Scott Hoisington,
President

Executed as of July ____, 2014

COUNTY OF YUBA, CALIFORNIA, for and on behalf of Improvement Area C of the County of Yuba Community Facilities District No. 2005-1 (Orchard/Montrose Public Improvements)

By: _____
Robert Bendorf,
County Administrator

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