

NOVEMBER 19, 2018 – City Council Special Meeting – 7:00 p.m.



City Council Chamber
390 Towne Centre Drive
Lathrop, California
(209) 941-7200
www.ci.lathrop.ca.us

City Council

Sonny Dhaliwal, Mayor
Mark Elliott, Vice Mayor
Paul Akinjo
Steve Dresser
Martha Salcedo

City Staff

Stephen Salvatore, City Manager
Salvador Navarrete, City Attorney
Teresa Vargas, City Clerk
Glenn Gebhardt, City Engineer
Cari James, Finance & Administrative
Services Director
Mark Meissner, Community
Development Director
Zachary Jones, Parks & Recreation
Director
James Hood, Police Chief
Michael King, Assistant Public Works
Director

General Order of Business

1. Preliminary
 - Call to Order
 - Closed Session
 - Roll Call
 - Invocation
 - Pledge of Allegiance
 - Announcements by Mayor/City Mgr.
 - Informational Items
 - Declaration of Conflict of Interest
2. Presentations
3. Citizen's Forum
4. Consent Calendar
5. Scheduled Items
 - Public Hearings
 - Appeals
 - Referrals and Reports from Commissions and Committees
 - All Other Staff Reports and/or Action Items
 - Study Sessions
6. Council Communications
7. Adjournment

Order of Discussion

Generally, the order of discussion after introduction of an item by the Mayor will include comments and information by staff followed by City Council questions and inquiries. The applicant, or their authorized representative, or interested residents, may then speak on the item; each speaker may only speak once to each item. At the close of public discussion, the item will be considered by the City Council and action taken.

Consent Calendar

Items on the Consent Calendar are considered to be routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Councilmember or interested resident so requests, in which case the item will be removed from the Consent Calendar and considered separately.



NOVEMBER 19, 2018 – Special Meeting Agenda – 7:00 p.m.



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Addressing the Council

Any person may speak once on any item under discussion by the City Council after receiving recognition by the Mayor. Purple speaker cards will be available prior to and during the meeting. To address City Council, a card must be submitted to the City Clerk indicating name, address and number of the item upon which a person wishes to speak. When addressing the City Council, please walk to the lectern located in front of the City Council. State your name and address. In order to ensure all persons have the opportunity to speak, a time limit will be set by the Mayor for each speaker (see instructions on speaker form). In the interest of time, each speaker may only speak once on each individual agenda item; please limit your comments to new material; do not repeat what a prior speaker has said. If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Citizen's Forum

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Citizen's Forum section. Please submit your purple speaker card to the City Clerk prior to the commencement of Citizen's Forum. **Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak.** Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item which does not appear on the agenda, unless the item meets stringent statutory requirements. The Mayor will limit the length of your presentation (see instructions on speaker form) and each speaker may only speak once on this agenda item.

To leave a voice message for the Mayor and all Councilmembers simultaneously, dial (209) 941-7220. To send an e-mail for the Mayor and all Councilmembers simultaneously, citycouncil@ci.lathrop.ca.us

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Information

Copies of the Agenda are available in the lobby at the Lathrop City Hall, 390 Towne Centre Drive, Lathrop, on Thursday preceding a regularly scheduled City Council meeting. Supplemental documents relating to specific agenda items are available for review in the City Clerk's Office. This agenda was posted at the following locations: City Hall, Community Center, Generations Center, Senior Center, and "J" Street Fire Department. The meetings of the Lathrop City Council are broadcast on Lathrop Comcast Cable Television Channel 97.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility and/or accommodations to this meeting. [28 CFR 35.102-35.104 ADA Title II] Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the City Clerk at (209) 941-7230.

Information about the City or items scheduled on the Agenda may be referred to:

Address: City Clerk
City of Lathrop
390 Towne Centre Dr.
Lathrop, CA 95330
Telephone: (209) 941-7230

Your interest in the conduct of your City's business is appreciated.

**CITY OF LATHROP
CITY COUNCIL SPECIAL MEETING
MONDAY, NOVEMBER 19, 2018
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

AGENDA

PLEASE NOTE: There will be a Closed Session commencing at 5:30 p.m. The Special Meeting will reconvene at 7:00 p.m., or immediately following the Closed Session, whichever is later.

1. PRELIMINARY

1.1 CALL TO ORDER

1.2 CLOSED SESSION

1.2.1 CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)

- 5 Potential Cases

1.2.2 CONFERENCE WITH LEGAL COUNSEL: Existing Litigation Pursuant to Government Code 54956.9(a)

- City of Lathrop vs. TCN Properties, L.P., et al., San Joaquin County Superior Court, Case No. STK-CV-UF-2017-0001082

1.2.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Pursuant to Government Code 54957

- City Manager
- City Attorney

RECONVENE

1.2.4 REPORT FROM CLOSED SESSION

1.3 ROLL CALL

1.4 INVOCATION

1.5 PLEDGE OF ALLEGIANCE

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST

2. PRESENTATIONS

- 2.1 PROCLAMATION – DECLARING NOVEMBER AS SIKH AWARENESS MONTH
- 2.2 PROCLAMATION – DECLARING NOVEMBER AS HOMELESS YOUTH AWARENESS MONTH
- 2.3 PRESENTATION – OVERVIEW OF THE LAW ENFORCEMENT AGAINST DRUGS “L.E.A.D” PROGRAM PROVIDED TO DETER YOUTH AND ADULTS FROM DRUG USE, DRUG RELATED CRIMES, BULLYING, AND VIOLENCE
- 2.4 MAYOR’S COMMITTEE REPORT(S)
 - Parks & Recreation Update on Committee Events and Programs

3. CITIZEN’S FORUM

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under Citizen’s Forum. Please submit a purple speaker card to the City Clerk prior to the commencement of Citizen’s Forum. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen’s Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item which does not appear on the agenda, unless the item meets stringent statutory requirements. The City Council can, however, allow its members or staff to briefly (no more than five (5) minutes) respond to statements made, to ask questions for clarification, make a brief announcement or report on his or her own activities.

(See California Government Code Section 54954.2(a)). Unless directed otherwise by a majority of the City Council, all questions asked and not answered at the meeting will be responded to in writing within 10 business days. ALL PUBLIC COMMENTS MUST BE MADE IN COMPLIANCE WITH THE LATHROP CITY COUNCIL HANDBOOK OF RULES AND PROCEDURES!!

4. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless the Mayor, Councilmember, or citizen so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- 4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS
Waive the Reading of Ordinances and Resolutions on Agenda Unless Otherwise Requested by the Mayor or a Councilmember
- 4.2 APPROVAL OF MINUTES
Approve Minutes for the Regular Council Meeting of October 8, 2018
- 4.3 TREASURER’S REPORT SEPTEMBER 2018
Approve Quarterly Treasurer’s Investment Report for September 2018
- 4.4 DELINQUENT UTILITY TURN OFFS
Adopt a Resolution to Suspend Service Disconnections for Delinquent Accounts Scheduled on December 12, 2018

- 4.5 FUNDING FOR A MAINTENANCE WORKER I/II IN THE PUBLIC WORKS DEPARTMENT
Adopt a Resolution to Approve Funding for a Maintenance Worker I/II Position
- 4.6 CHRISTMAS PARADE TEMPORARY STREET CLOSURE
Adopt Resolution Approving Temporary Street Closures for the Lathrop Christmas Parade on December 8, 2018
- 4.7 ACCEPT IMPROVEMENTS FOR THE 5TH STREET SIDEWALK IMPROVEMENTS CIP PS 15-19
Adopt a Resolution Accepting Improvements from McFadden Construction, Inc. and Sinclair General Engineering Construction, Inc. for the 5th Street Sidewalk Improvement Project CIP PS 15-19 and Authorize the Filing of a Notice of Completion
- 4.8 ACCEPT IMPROVEMENTS FOR MOSSDALE TRAIL LIGHTING CIP PK 18-10 FROM T&S INTERMODAL MAINTENANCE, INC.
Adopt a Resolution Accepting Improvements from T&S Intermodal Maintenance, Inc. for CIP PK 18-10 Mossdale Trail Lighting; Authorizing the Filing of a Notice of Completion and the Release of Contract Retention
- 4.9 RESOLUTION OF INTENTION TO VACATE A PORTION OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.
Adopt Resolution Approving the City's Intention to Vacate 9,789 Square Feet of Madruga Road to South Lathrop Land, L.L.C.
- 4.10 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 89 LOTS IN TRACT 3999 VILLAGE "BB" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS
Adopt Resolution Approving Final Map for Tract 3999 Village "BB" within the Lakeside East District, Totaling 89 Single-Family Lots and a Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue
- 4.11 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 103 LOTS IN TRACT 4001 VILLAGE "AA" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS
Adopt Resolution Approving Final Map for Tract 4001 Village "AA" within the Lakeside East District, Totaling 103 Single-Family Lots, Common Use Agreement with Island Reclamation District 2062 for a Portion of Riverfront Drive, Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue
- 4.12 COMMUNITY FACILITIES DISTRICTS ANNUAL BOND ACCOUNTABILITY REPORT FOR FY 2017/18
Receive Report for Bonded and Non Bonded Community Facilities Districts

5. SCHEDULED ITEMS

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES) CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

City Council to Consider the Following:

1. Hold a Public Hearing; and
2. Consider Approval of Resolutions of the City Council of the City of Lathrop for the Formation of Community Facilities Districts, Determine Necessity to Incur Bonded Indebtedness Within the Community Facilities Districts, Call A Special Election, Declare Results of Special Election and Direct Recording of Notice of Special Tax Liens, Levy Special Taxes, And Authorize the Issuance of Bonds.

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER UNMET TRANSIT NEEDS FOR FY 19-20

City Council to Consider the Following:

1. Hold a Public Hearing; and
2. Council to Consider Unmet Transit Needs within the City of Lathrop (Transportation Development Act Requirements for Transit Funds)

6. COUNCIL COMMUNICATIONS

6.1 MAYOR DHALI WAL REFERRAL: Appointment of One (1) Member to the Senior Advisory Commission with Term Expiring June 30, 2019, due to Unexpired Term Vacancy

- One (1) Application Received

6.2 MAYOR DHALI WAL REFERRAL: Appointment of One (1) Member to the Planning Commission with Term Expiring June 30, 2019, due to Unexpired Term Vacancy

- Six (6) Applications Received

6.3 COUNCILMEMBER DRESSER REFERRAL: Traffic Calming Measures for the Lathrop Acres Area

6.4 COUNCILMEMBER DRESSER REFERRAL: Review of Recreational Vehicle and Boat Parking Regulations, and Potential Revisions to Ordinance Language

6.5 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

- *Central Valley Executive Committee/LOCC (Salcedo/Akinjo)*
- *Council of Governments (Dresser/Dhaliwal)*
- *Integrated Waste Management Solid Waste Division (Akinjo/Elliott)*
- *Reclamation District 17 Joint Powers Authority (Salvatore)*
- *San Joaquin Partnership Board of Directors (Salvatore)*
- *San Joaquin County Commission on Aging (Zavala)*
- *San Joaquin Regional Rail Commission (Dresser)*
- *San Joaquin Valley Air Pollution Control District (Akinjo/Dhaliwal)*
- *Water Advisory Board (Dhaliwal/Elliott)*
- *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo/Dresser)*
- *San Joaquin Area Flood Control Agency (Elliott/Dresser)*

6.6 MAYOR & COUNCILMEMBER COMMENT(S)

7. **ADJOURNMENT**



Teresa Vargas, CMC
City Clerk

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**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, OCTOBER 8, 2018
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

MINUTES

PLEASE NOTE: There was a Closed Session which commenced at 6:06 p.m. The Regular Meeting reconvened at 7:06 p.m.

1. PRELIMINARY

1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 6:06 p.m.

1.2 CLOSED SESSION

1.2.1 CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)

- 4 Potential Cases

1.2.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8
Property: 99 West Louise Avenue (APN 191-190-18)
Agency Negotiator: Glenn Gebhardt, City Engineer
Negotiating Parties: Richard Castleman
Under Negotiation: Price and Terms of Negotiations

RECONVENE – Mayor Dhaliwal reconvened the meeting at 7:06 p.m.

1.2.3 REPORT FROM CLOSED SESSION

City Attorney Salvador Navarrete reported that direction was provided regarding Item 1.2; no other reportable action taken.

1.3 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Elliott;
Councilmembers: Akinjo, Dresser, and Salcedo

Absent: None

1.4 INVOCATION – Pastor Mike Strong, Grace Community Church, provided the invocation.

1.5 PLEDGE OF ALLEGIANCE – Pastor Mike Strong led the pledge of allegiance.

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

City Manager Stephen Salvatore announced Lieutenant Ryan Biedermann as the newest member of the Lathrop Police Services Department. Mayor Dhaliwal commented on a fallen tree in the Stonebridge Development during the weekend, thanked staff for their prompt response and cleanup of the area.

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST – None

2. PRESENTATIONS

2.1 PROCLAMATION – DECLARING OCTOBER DOMESTIC VIOLENCE AWARENESS MONTH

Councilmember Salcedo, on behalf of the Lathrop City Council, provided the proclamation declaring October 2018 as Domestic Violence Awareness Month to Anna Alcantara, with the Women’s Center-Youth Family Services. Ms. Alcantara provided additional information related to the matter and announced a candlelight vigil planned to honor those who have lost their lives as a result of domestic violence. Event scheduled on October 25, 2018.

2.2 NATIONAL NIGHT OUT COMMUNITY PARTNER AWARD

Deputy Sheriff Jefferson Dominguez gave an overview of the National Night Out event held August 7, 2018. Deputy Dominguez provided the Neighborhood Community Partner Award to Tracey Sylvester for the Platinum/Quartz/Stonebridge West community party. Deputy Dominguez also announced a “Drug Take Back” event scheduled on October 27, 2018, at the Lathrop Senior Center. The event is intended for safe disposal of unused, expired, unwanted prescription and over-the-counter drugs.

2.3 CERTIFICATES OF APPRECIATION TO ORGANIZERS OF THE ANNUAL COMMUNITY BBQ HONORING PUBLIC SAFETY OFFICERS

Parks and Recreation Director Zach Jones presented certificates of appreciation to Stephanie Helmbold, Michele Anderson, Debbie Rock, April Victorine, and Vada Klingman for organizing the 3rd Annual Community BBQ event honoring public safety officers held on September 12, 2018. Councilmembers commented on the matter and thanked the organizers of the event.

2.4 RECEIVE INFORMATION RELATED TO THE PRELIMINARY SITE PLAN REVIEW FOR THE NEW LATHROP POLICE STATION

Finance and Administrative Services Director Cari James introduced architect consultant Eric Wohle, LDA Partners. Mr. Wohle provided an overview of the preliminary site plan design review for the new Lathrop Police Station.

2.5 RECEIVE INFORMATION REGARDING FISCAL OVERVIEW OF THE CITY'S GENERAL FUND AND MEASURE C FUND

Finance and Administrative Services Director Cari James provided the presentation, which included an overview of the City's current fiscal position, key fiscal issues for the city in the next five years, options for addressing said key issues, and an overview of Measure C funded projects. A question and answer period ensued throughout the presentation. City Manager Stephen Salvatore responded to questions and provided additional information related to the matter.

3. CITIZEN'S FORUM

Travis Cooper (California Municipal Finance Authority, (CMFA)) provided information related to the CMFA PACE Program, which provides solar energy financing solutions to commercial and residential property owners. Mr. Cooper requested that Council adopt a resolution authorizing CMFA PACE as an authorized financing provider in the City of Lathrop. The City Council expressed interest in the matter, and requested that more information be brought back to a future City Council meeting. Meghan Torres (Lathrop Chamber of Commerce) provided information on upcoming events provided by the Lathrop Chamber of Commerce.

4. CONSENT CALENDAR

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council approved the Consent Calendar, except *Item 4.3 and **Item 4.10, by the following roll call vote, unless otherwise indicated:

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

** Item 4.3 - The City Council vote on the item separately, following the vote of the consent calendar.*

*** Item 4.10 - Staff removed this item from the Consent Calendar; no action taken on the proposed matter.*

4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

Waived the reading of ordinances and resolutions on agenda unless otherwise requested by the Mayor or a Councilmember.

4.2 APPROVAL OF MINUTES

Approved Consolidated Minutes for the Regular Council Meeting and Special Meeting of the CFD No. 2006-1 Board of Directors of August 13, 2018, and the Regular Council Meeting of September 10, 2018.

4.3 *2018-2019 REQUESTS FOR FEE WAIVER

Pulled by Councilmember Dresser. Councilmember Dresser declared his membership with the Sunrise Rotary Club and potential conflict of interest. City Clerk Teresa Vargas announced that the item included four resolutions and the Council could entertain a separate vote on each resolution. Vice Mayor Elliott and Mayor Dhaliwal declared similar conflicts of interests due to memberships with the Lathrop Lions Club.

The City Council voted on the following four (4) resolutions separately approving various facility fee waiver requests from the Lathrop Lions Club, Lathrop Little League, Lathrop HS Theater Arts Boosters, and the Lathrop Sunrise Rotary Club:

On a motion by Councilmember Dresser, seconded by Councilmember Akinjo, the City Council adopted **Resolution 18-4453** approving a facility fee waiver request from the Lathrop Lions Club for use of city facilities totaling \$569, by the following roll call vote:

Ayes: Akinjo, Dresser, and Salcedo
Noes: None
Absent: None
Abstain: Elliott and Dhaliwal (due to club membership)

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4454** approving a facility fee waiver request from the Lathrop Little League for use of city facilities totaling \$7,971, by the following roll call vote:

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4455** approving a facility fee waiver request from the Lathrop HS Theater Arts Boosters for use of city facilities totaling \$168, by the following roll call vote:

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4456** approving a facility fee waiver request from the Lathrop Sunrise Rotary Club for use of city facilities totaling \$270, by the following roll call vote:

Ayes: Akinjo, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: Dresser (due to club membership)

4.4 ISU SALE TO LOUISE AVENUE PARTNERS

Adopted **Resolution 18-4457** approving the sale of 15 ISUs to Louise Avenue Partners for proposed Tru by Hilton Hotel at 161 East Louise Avenue (APN 196-27-023).

4.5 ADOPT RESOLUTION APPROVING THE STAGE 2B PRECISE PLAN LINE FOR RIVER ISLANDS PARKWAY

Adopted **Resolution 18-4458** approving a precise plan line for the stage 2B segment of River Islands Parkway, and Common Use Agreement with Reclamation District 2062.

4.6 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 38 LOTS IN TRACT 3938 VILLAGE "Q" WITHIN EAST VILLAGE DISTRICT

Adopted **Resolution 18-4459** approving Final Map for Tract 3938 Village "Q" within East Village District, totaling 38 single-family lots, and Subdivision Improvement Agreement with River Islands Development, LLC.

4.7 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 50 LOTS IN TRACT 3989 VILLAGE "U" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

Adopted **Resolution 18-4460** approving Final Map for Tract 3989 Village "U" within the Lakeside East District, Totaling 50 Single-Family Lots, Subdivision Improvement Agreement with River Islands Development, LLC, Irrevocable Offer of Dedication for portion of Marina Drive from Dell'Osso Drive to Oberlin Avenue, and Annexation No. X for City of Lathrop Community Facilities District for Villages T, U, T, V, Y, AA and BB.

4.8 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 51 LOTS IN TRACT 3994 VILLAGE "T" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

Adopted **Resolution 18-4461** approving Final Map for Tract 3994 Village "T" within the Lakeside East District, Totaling 51 Single-Family Lots, and Subdivision Improvement Agreement with River Islands Development, LLC.

- 4.9 APPROVE TASK ORDER NO. 11 WITH 4LEAF, INC. FOR PLAN CHECK SERVICES

Adopted **Resolution 18-4462** approving Task Order No. 11 with 4Leaf, Inc. for plan check services in the Building Division.

- 4.10 2018 WINTER HOLIDAY AND 2019 CITY COUNCIL MEETING SCHEDULES
Consideration of Proposed 2018 Winter Holiday Closure and 2019 City Council Meeting Schedules

**Item 4.10 pulled from the Consent Calendar by staff. No action taken on this item.

- 4.11 FUNDING FOR A MAINTENANCE WORKER I/II AND A UTILITY OPERATOR I/II/III IN THE PUBLIC WORKS DEPARTMENT

Adopted **Resolution 18-4463** approving funding for a Maintenance Worker I/II and Utility Operator I/II/III position in the Public Works Department.

- 4.12 AGREEMENT WITH CONDOR EARTH FOR ENGINEERING SUPPORT SERVICES

Adopted **Resolution 18-4464** approving a Professional Service Agreement with Condor Earth to provide engineering support services.

5. SCHEDULED ITEMS

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE 2019 SJMSCP DEVELOPMENT FEE ANNUAL ADJUSTMENT

City Consultant David Niskanen, with JB Anderson Planning, provided the presentation. A question and answer period ensued following the presentation. Program Planner Steve Mayo (San Joaquin Council of Governments) provided additional information. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Vice Mayor Elliott, seconded by Councilmember Salcedo, the City Council:

1. Held a Public Hearing; and
2. Adopted **Resolution 18-4465** approving an annual adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) Development Fee for 2019.

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO UPDATE THE WEST LATHROP SPECIFIC PLAN REIMBURSEMENT FEE

Finance and Administrative Services Director Cari James provided the presentation. A question and answer period followed. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Salcedo, seconded by Mayor Dhaliwal, the City Council considered the following:

Council to Consider the Following:

1. Hold a Public Hearing; and
2. Adopted **Resolution 18-4466** approving the 2018 West Lathrop Specific Plan (WLSP) Reimbursement Fee Update

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.3 AUTHORIZE TERRAVERDE TO CONDUCT A COMPETITIVE BID PROCESS FOR PHASE II OF THE CITY OF LATHROP'S SOLAR ENERGY PROJECT

Assistant Public Works Director Michael King introduced City Consultant Rick Brown, with TerraVerde Energy, LLC. Mr. Brown provided the presentation. A question and answer period ensued throughout the presentation. City Manager Stephen Salvatore provided additional information.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4467** approving TerraVerde Energy, LLC to conduct a competitive bid process for Phase II Project Installation, Procurement, and Financing for the City of Lathrop's Solar Energy Project GG 12-14, and approve the minimum projected cost savings for Phase II.

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.4 CREATE CIP PK 19-02 FOR PARK IMPROVEMENTS AT SANGALANG, MOSSDALE, AND VALVERDE PARKS

Parks and Recreation Director Zach Jones provided the presentation. A question and answer period followed.

On a motion by Councilmember Salcedo, seconded by Mayor Dhaliwal, the City Council adopted **Resolution 18-4468** approving the creation of CIP PK 19-02, for the installation of outdoor fitness equipment at Sangalang Park, Mossdale Park, and Valverde Park, and authorized related budget amendments.

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.5 CREATE CIP PK 19-03 FOR PARK IMPROVEMENTS AT MOSSDALE SOUTH NEIGHBORHOOD PARK, AND RELATED BUDGET AMENDMENT

Parks and Recreation Director Zach Jones provided the presentation. A question and answer period followed.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4469** approving the creation of CIP PK 19-03 for Mossdale South Neighborhood Park, and authorized related budget amendment

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.6 CREATE CIP PK 19-04 FOR CITY-WIDE PARK IMPROVEMENTS

Parks and Recreation Director Zach Jones provided the presentation. A question and answer period followed.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4470** approving the creation of CIP PK 19-04 for the installation of additional amenities at various City Parks, and authorized related budget amendments.

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

5.7 CITY OF LATHROP CODE OF ETHICS APPLICABLE TO CITY OFFICIALS

City Attorney Salvador Navarrete provided the presentation.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council adopted **Resolution 18-4471** approving an Ethics Policy applicable to Elected and Appointed Officials, City Manager, City Attorney and Department Heads.

Ayes: Akinjo, Dresser, Elliott, Salcedo, and Dhaliwal
Noes: None
Absent: None
Abstain: None

6. COUNCIL COMMUNICATIONS

6.1 MAYOR DHALIWAL REFERRAL: Set Application Deadline for Appointment of One (1) Member to the Senior Advisory Commission with Term Expiring June 30, 2019, due to Unexpired Term Vacancy

City Clerk Teresa Vargas provided an overview, announced the resignation of Ms. Patricia Bennett from the Senior Advisory Commission.

The City Council set the application deadline to November 5, 2018, with appointment at the Special Meeting of November 19, 2018.

6.2 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

Councilmember Dresser reported his attendance to the San Joaquin Regional Rail Commission meeting, in which locomotive improvements and Wi-Fi service inside the engines was discussed.

6.3 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmember Akinjo commented on the fiscal health and stability of the City, and thanked the community organizers of the community BBQ held on September 12, 2018. Councilmember Dresser commented on a previous referral to discuss placing cameras at the entrance and exit points of the City, and expressed concern with lack of commercial truck parking in the City. City Manager Stephen Salvatore provided information on a private project planned for development at the corner of McKinley and Louise Avenue to provide public truck parking. Councilmember Salcedo expresses her appreciation to Council for approval of the park improvements and recreational facilities for the community. Vice Mayor Elliott expressed appreciation on the positive feedback received from outside agencies and stakeholders, commented on the fiscal health of the city, and thanked staff for their efforts. Mayor Dhaliwal commented on the upcoming Election on November 6, 2018, and the Veteran's Day event scheduled on November 11, 2018, at Valverde Park commencing at 11 p.m. Mayor Dhaliwal also announced the City's afterhours emergency on-call number, (209) 992-0028.

7. ADJOURNMENT – There being no further business, Mayor Dhaliwal adjourned the meeting at 10:11 p.m.



Teresa Vargas, CMC
City Clerk

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Quarterly Investment Report

September 2018

This report presents a detailed discussion of the City's investment portfolio as of September 30, 2018. It includes all investments managed by the City on its own behalf as well as the City's Trustees. The report provides information on cash flows, broken down by both investment manager (City or Trustee) and by percentage allocation within the portfolio.

As of September 30, 2018, the investment portfolio was in compliance with all state laws and the City's Investment Policy (see Attachment 1).

Current Portfolio Summary

As directed by the Investment Policy adopted by City Council, City staff strives to attain three primary goals with the City's investments as follows (in order of priority):

1. Safety – Preservation of the principal of invested funds
2. Liquidity – Ability to liquidate one or more of the City's investments if unexpected expenditures arise
3. Return – Attainment of a market rate of return

The majority of the portfolio is invested in the Local Agency Investment Fund (LAIF), which is administered by the California State Treasurer's office. LAIF provides the City with an investment vehicle with yields that are slightly greater than U.S. Treasuries (T-bills) with a 2-year maturity or less. LAIF is a high quality investment in terms of safety, liquidity, and yield. Additionally, LAIF is an "On Demand" account; meaning funds may be withdrawn upon with 1 day notice, representing maximum liquidity.

In addition to LAIF, the City holds investments in Money Market Mutual Funds, Nonnegotiable Certificates of Deposit, and State and Local Government Securities (SLGS). These investments are prudent investment choices and are included in the City's Investment Policy as allowable investments.

Each investment mentioned above has a specific maturity date. However, much of the portfolio is On Demand. The short weighted average maturity provides the City with a great deal of liquidity during this period of heightened economic uncertainty and period of low investment yields. This liquidity places the City to invest in longer term maturity investments once interest rates begin to move up toward their historical norms; overall macroeconomic indicators signal solid and consistent growth in future years.

The following table (Table: 1) provides a summary of the City's cash and investments, by holding party, based on recorded value as of September 30, 2018 compared with the prior quarter:

Table: 1				
Holding Party	June 30, 2018		- September 30, 2018	
	Fund Amounts (1)	% of Portfolio	Fund Amounts (1)	% of Portfolio
Investments/cash held by the City	\$80,109,313	70%	\$84,978,674	71%
Investments held by Trustees	\$35,408,124	30%	\$35,185,795	29%
TOTAL	\$117,517,437	100%	\$120,164,469	100%

(1) Small variances are due to the summation and rounding of multiple figures to the nearest whole dollar

Please see the following pages (Tables: 2 through 5) for a more detailed analysis of transactional additions and reductions due to cash flow needs, debt service payments, and maturities/rollovers of certain investments.

Revenues arrived during the quarter, per City staff expectations, are as follows: utility payments, property tax, franchise fees, sales tax (including Measure C), developer billing fees, grant reimbursements, building permit fees, plan check fees, and Transient Occupancy Tax (TOT).

Significant payables paid out during the quarter include:

- I. Nonrecurring Expenditure Capital Improvement Projects – General Government, Parks, Streets, Water, and Wastewater
- II. Recurring Expenditures
 - a. Contractual – Park & Street Landscaping, and Water Treatment Services
 - b. Intergovernmental payments – San Joaquin County (Police Services), Lathrop Manteca Fire District

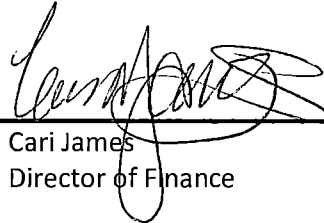
Quarterly Economic Update

According to the latest projections from the Business Forecasting Center at the University of the Pacific, California's economic growth is forecast at a strong 3.4% through 2019, and then declining to 1.9% in 2021 as recession risk grows. Regionally, the Central Valley is expected to show job growth due to the booming logistics sector as it has added jobs to the trucking and warehousing industry. In addition, the Center estimates that most Central Valley metro areas will average single-digit unemployment in 2018. The strengthening housing market is lending support to manufacturing, which was hit by deep federal government spending cuts and slowing global demand. Locally, the San Joaquin Valley area experienced a decrease in unemployment rates (San Joaquin County: 5%; City of Lathrop: 4.6%). While these rates are within the forecasted levels, caution is key to carry out with the business demands of the City.

I certify that all of the investments reported herein are in accordance with the "City of Lathrop Investment Policy" adopted on November 5, 2012, with the Government Code, and other contractual agreements. I further certify the investments reported herein provide for the ability of the City to meet cash flow needs for the next six months.



Stephen Salvatore
City Manager



Cari James
Director of Finance

TABLE: 2
CITY OF LATHROP
Summary of All Investments
As of September 30, 2018

City Held Investments	Recorded Value	Current Yield	Percent of Portfolio	Market Value
Local Agency Investment Fund	\$ 51,268,421	0.228%	57.43%	\$ 51,268,421
Wells Fargo Money Market Mutual Funds	\$ 2,809,256	0.000%	3.15%	\$ 2,809,256
Total Investments Held by the City (1)	\$ 54,077,677	0.216%	60.58%	\$ 54,077,678

Trustee Held Investments	Recorded Value	Current Yield	Percent of Portfolio	Market Value
Union Bank	\$ 3,697,184	0.027%	4.14%	\$ 3,697,184
UMB Bank	\$ 323,732	0.000%	0.36%	\$ 323,732
US Bank	\$ -	0.025%	0.00%	\$ -
SJ County Pooled Funds	\$ 254,080	0.260%	0.28%	\$ 254,080
PFM Asset Management	\$ 30,420,205	0.000%	34.08%	\$ 30,420,205
BBVA Compass Bank	\$ 490,594	0.230%	0.55%	\$ 490,594
Total Investments Held by Trustees (2)	\$ 35,185,795	0.008%	39.42%	\$ 35,185,795

Total City & Trustee Held Investments & Cash	Recorded Value	Current Yield	Percent of Portfolio	Market Value
Investments Held by the City and Trustees	\$ 89,263,472	0.134%	100.00%	\$ 89,263,473
Cash in Checking Accounts - Recorded Value	\$ 30,900,996			
Total Cash and Investments	\$ 120,164,468			

Weighted Average Maturity of Portfolio (days): 1
 One month benchmark for U.S. Treasuries: 0.02%
 Three month benchmark for U.S. Treasuries: 0.03%

Notes:

(1) See Table: 4 for detailed investments held by the City.

(2) See Table: 5 for detailed investments held by Trustees.

TABLE: 3
CITY OF LATHROP
Investments Cash Flow Analysis
As of September 30, 2018

Investments Held by the City	Prior Month Recorded Value	Purchased (Buy)	Redeemed (Sell)	Current Month Recorded Value
Local Agency Investment Fund (1)	\$ 51,268,421	-	-	\$ 51,268,421
Wells Fargo Money Market Mutual Funds (2)	\$ 2,805,213	4,043	-	\$ 2,809,256
Total Investments Held by the City	\$ 54,073,635	4,043	-	\$ 54,077,678

Investments Held by Trustees	Prior Month Recorded Value	Purchased (Buy)	Redeemed (Sell)	Current Month Recorded Value
BBVA Compass Bank	\$ 490,231	363		\$ 490,594
SJ County Pooled Funds	\$ 255,960		(1,880)	\$ 254,080
UMB Bank	\$ 323,371	360		\$ 323,732
Union Bank (3)	\$ 6,060,892	2,486,504	(4,850,211)	\$ 3,697,184
US Bank	\$ -			\$ -
PFM Asset Management	\$ 30,383,987	3,991,711	(3,955,493)	\$ 30,420,205
Total Investments Held by Trustees	\$ 37,514,441	\$ 6,478,938	\$ (8,807,584)	\$ 35,185,795

Total Cash in Checking Accounts Held by the City (2)	\$ 31,657,959	3,743,470	(4,500,433)	\$ 30,900,996
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Total Cash and Investments Held by the City and Trustees	\$ 123,246,035	\$ 10,226,451	\$ (13,308,017)	\$ 120,164,469
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Notes:

(1) LAIF interest income is paid quarterly (Mar/Jun/Sept/Dec) and received in the following month (Apr/Jul/Oct/Jan).

(2) Property Tax, Building permit revenue, TOT, Developer payments, and Utility payments; nonrecurring expenses paid during the month: General government, Parks, Streets, Wastewater, and Water CIPs; also, recurring expenses: Park & street landscape maintenance, and water treatment services; lastly, intergovernmental payments and transfers: Police Services expenses, and SSJID SCSWSP O & M expenses.

(3) Interest earnings, debt service payments.

TABLE: 4
CITY OF LATHROP
Investments Held by City - Detail
As of September 30, 2018

Agency (Broker)	Investment Description	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date	Market Value (No Accruals)	Recorded Value
Local Agency Investment Fund							
	Money Market Fund City Acct No. 98-39-437	N/A	0.257%	Varies	On Demand	51,268,421	51,268,421
						\$ 51,268,421	\$ 51,268,421
Wells Fargo Mutual Funds							
	Money Market Mutual Fund City Acct No. 12641627	N/A	0.000%	Varies	On Demand	2,809,256	2,809,256
						\$ 2,809,256	\$ 2,809,256
TOTAL INVESTMENTS HELD BY CITY						\$ 54,077,678	\$ 54,077,677

TABLE: 5
CITY OF LATHROP
Investments Held by Trustee - Detail
As of September 30, 2018

Investment Description	CUSIP	Current Yield	Purchase	Maturity Date	Value	Recorded Value
Investments Held by Union Bank by Account						
<i>03-1 Series 2015 - Mossdale Village Assessment District</i>						
Mossdale Village Assessment Dist. No. 03-1 Series 2015 - Redemption Fund		0.010%	10/18/05	On Demand	\$ 18	\$ 18
Mossdale Village Assessment Dist. No. 03-1 Series 2005/2015 - Reserve Fund		0.010%	10/18/05	On Demand	\$ 240,912	\$ 240,912
<i>2000 North Harlan Improvement District 99-01</i>						
Money Market - Reserve Account		0.010%	7/12/00	On Demand	\$ 92,384	\$ 92,384
Money Market - Redemption Account		0.010%	7/12/00	On Demand	\$ 4	\$ 4
<i>2003-2A Lathrop CFD</i>						
Money Market- Interest Account		0.010%	12/12/03	On Demand	\$ -	-
LAIF - Interest Account		0.257%	03/19/03	On Demand	\$ 725,303	\$ 725,303
<i>CDPH/CDWR - SRF Loan</i>						
Agreement Account		0.000%	12/22/10	On Demand	\$ 79	\$ 79
Agreement Account --Reserve Fund		0.000%	12/22/10	On Demand	\$ 600,249	\$ 600,249
2013-1 Mossdale Village						
2013-1 Refunding Improvement Bonds		0.000%	10/1/13	On Demand	\$ 34	\$ 34
2013-1 Refunding Improvement Bonds		0.000%	10/1/13	On Demand	\$ 948,965	\$ 948,965
2013-1 Special Tax Bonds						
2013-1 Mossdale Special Tax		0.000%	10/1/13	On Demand	\$ 19	\$ 19
2013-1 Mossdale Special Tax		0.000%	10/1/13	On Demand	\$ -	-
2013-1 Mossdale Special Tax		0.000%	10/1/13	On Demand	\$ 263,397	\$ 263,397
2015 Crossroads Series B						
2015 Crossroads Series B - LOIB RDP		0.000%	9/1/15	On Demand	\$ 25	\$ 25
2015 Crossroads Series B - LOIB Reserve		0.000%	9/1/15	On Demand	\$ 743,857	\$ 743,857
2015 Crossroads Series B - Improvements		0.000%	9/1/15	On Demand	\$ 81,938	\$ 81,938
Total Investments Held by Trustee - Union Bank					\$ 3,697,184	\$ 3,697,184

TABLE: 5
CITY OF LATHROP
Investments Held by Trustee - Detail
As of September 30, 2018

Investment Description	CUSIP	Current Yield	Purchase	Maturity Date	Value	Recorded Value
Investments Held by BBVA Compass Bank by Account						
<i>2012 Water Loan (Refunding of 2000 Water COPs)</i>						
Certificate of Deposit - Reserve Fund		0.230%	4/24/13	4/24/14	\$ 490,594	\$ 490,594
Total Investments Held by Trustee -BBVA Compass Bank					\$ 490,594	\$ 490,594
Investments Held by UMB Bank by Account						
<i>2006-1 Central Lathrop Phase I Infrastructure CFD</i>						
Special Tax Fund		0.000%	9/12/06	On Demand	\$ 297,001	\$ 297,001
Interest Fund		0.000%	9/12/06	On Demand	\$ 1	\$ 1
TTEE Fee & Comp Exp		0.002%	9/12/06	On Demand	\$ 26,678	\$ 26,678
Reserve Fund		0.000%	9/12/06	On Demand	\$ 0	\$ 0
Improvement Fund		0.000%	9/12/06	On Demand	\$ 51	\$ 51
Total Investments Held by Trustee - UMB Bank					\$ 323,732	\$ 323,732
Investments Held by San Joaquin County by Account						
<i>Sanitary Sewer Assessment District #1</i>						
Pooled Funds - Redemption Account		0.260%	10/1/87	On Demand	\$ 254,080	\$ 254,080
Total Investments Held by Trustee -San Joaquin County					\$ 254,080	\$ 254,080

TABLE: 5
CITY OF LATHROP
Investments Held by Trustee - Detail
As of September 30, 2018

Investment Description	CUSIP	Current Yield	Purchase	Maturity Date	Value	Recorded Value
Investments Held by PFM Asset Management by Account						
<i>PFM Asset Management</i>						
Money Market Fund		0.000%	5/28/15	05/28/15	\$ 29,870	\$ 29,870
US Treasury Notes	9128282K5	1.38%	7/31/17	7/31/19	\$ 297,035	\$ 297,035
US Treasury Notes	912828WW6	1.63%	7/31/14	7/31/19	\$ 644,846	\$ 644,846
US Treasury Notes	912828UL2	1.38%	1/31/13	1/31/20	\$ 407,689	\$ 407,689
US Treasury Notes	912828H52	1.25%	12/1/16	1/31/20	\$ 882,563	\$ 882,563
US Treasury Notes	912828H52	1.25%	2/2/15	1/31/20	\$ 1,765,125	\$ 1,765,125
US Treasury Notes	912828W22	1.38%	2/15/17	2/15/20	\$ 785,282	\$ 785,282
US Treasury Notes	912828J84	1.38%	3/31/15	3/31/20	\$ 1,175,626	\$ 1,175,626
US Treasury Notes	912828K58	1.38%	4/30/15	4/30/20	\$ 978,320	\$ 978,320
US Treasury Notes	912828XE5	1.50%	6/1/15	5/31/20	\$ 416,101	\$ 416,101
US Treasury Notes	912828XH8	1.63%	6/30/15	6/30/20	\$ 1,494,381	\$ 1,494,381
US Treasury Notes	912828XM7	1.63%	7/31/15	7/31/20	\$ 734,121	\$ 734,121
US Treasury Notes	912828L32	1.38%	8/31/15	8/31/20	\$ 1,021,863	\$ 1,021,863
US Treasury Notes	912828L99	1.38%	10/31/15	10/31/20	\$ 1,019,115	\$ 1,019,115
US Treasury Notes	912828M98	1.63%	11/30/15	11/30/20	\$ 584,695	\$ 584,695
US Treasury Notes	912828N48	1.75%	12/31/15	12/31/20	\$ 790,763	\$ 790,763
US Treasury Notes	912828N48	1.75%	12/31/15	12/31/20	\$ 1,122,688	\$ 1,122,688
US Treasury Notes	912828N89	1.38%	1/31/16	1/31/21	\$ 483,340	\$ 483,340
US Treasury Notes	912828N89	1.38%	1/31/16	1/31/21	\$ 662,176	\$ 662,176
US Treasury N/B Notes	9128283X6	2.25%	2/1/18	2/15/21	\$ 606,424	\$ 606,424
US Treasury Notes	912828C57	2.25%	3/31/14	3/31/21	\$ 468,005	\$ 468,005
US Treasury Notes	912828C57	2.25%	3/31/14	3/31/21	\$ 566,532	\$ 566,532
US Treasury Notes	912828WG1	2.25%	4/30/14	4/30/21	\$ 1,083,113	\$ 1,083,113
US Treasury Notes	912828WN6	2.00%	6/2/14	5/31/21	\$ 635,476	\$ 635,476
US Treasury Notes	912828WR7	2.13%	6/30/14	6/30/21	\$ 1,053,710	\$ 1,053,710
US Treasury Notes	9128284W7	2.75%	8/15/18	8/15/21	\$ 996,289	\$ 996,289
US Treasury Notes	912828D72	2.00%	9/2/14	8/31/21	\$ 1,073,102	\$ 1,073,102
US Treasury N/B	9128285A4	2.75%	9/17/18	9/15/21	\$ 498,106	\$ 498,106
US Treasury Subtotal:					\$ 22,246,483	\$ 22,246,483
Federal Agency Bond/Note						
FNMA Benchmark Note	3135G0J53	1.00%	2/19/16	2/26/19	\$ 527,207	\$ 527,207
FHLMC Notes	3137EACA5	3.75%	3/2/16	3/27/19	\$ 488,165	\$ 488,165

TABLE: 5
CITY OF LATHROP
Investments Held by Trustee - Detail
As of September 30, 2018

Investment Description	CUSIP	Current Yield	Purchase	Maturity Date	Value	Recorded Value
Freddie Mac Notes	3137EADZ9	1.13%	4/27/16	4/15/19	\$ 148,940	\$ 148,940
FHLB Global Notes	3130A8DB6	1.13%	6/2/16	6/21/19	\$ 618,648	\$ 618,648
FHLB Global Notes	3130A8DB6	1.13%	6/27/16	6/21/19	\$ 1,014,583	\$ 1,014,583
FHLMC Reference Note	3137EAEB1	0.88%	7/20/16	7/19/19	\$ 281,251	\$ 281,251
FHLMC Reference Note	3137EAEB1	0.88%	10/3/16	7/19/19	\$ 888,160	\$ 888,160
FNMA Benchmark Note	3135G0N33	0.88%	8/2/16	08/02/19	\$ 887,370	\$ 887,370
FNMA Notes	3135G0P49	1.00%	9/2/16	08/28/19	\$ 1,517,804	\$ 1,517,804
FNMA Notes	3135G0T29	1.50%	2/28/17	2/28/20	\$ 294,869	\$ 294,869
FHLMC Agency Notes	3137EAEF2	1.38%	4/20/17	4/20/20	\$ 489,335	\$ 489,335
Fannie Mae Notes	3135G0U35	2.75%	6/25/18	6/22/21	\$ 442,851	\$ 442,851
Federal Home Loan Banks Agcy	313AEXV7	3.00%	9/20/18	9/20/12	\$ 448,991	\$ 448,991
Federal Agency Subtotal:					\$ 8,048,173	\$ 8,048,173
Interest						
Accrued Interest					\$ 95,679	\$ 95,679
Total Investments Held by Trustee -PFM Asset Management					\$ 30,420,205	\$ 30,420,205
* Investments made per CLSP Bond Indenture						
Total Investments Held by Trustees					\$ 35,185,795	\$ 35,185,795

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**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM: DELINQUENT UTILITY TURN OFFS

**RECOMMENDATION: Adopt a Resolution to Suspend Service
Disconnections for Delinquent Accounts Scheduled
on December 12, 2018**

SUMMARY:

As in past years, staff has recommended suspending service disconnections during the month of December. The City will still assess a 10% late fee to all accounts with balances not paid by December 31, 2018. Suspension of service disconnections in December has been approved by Council since 1996.

BACKGROUND:

The Finance Department produces monthly utility invoices for its water and wastewater customers. The cycle of the utility bills is as follows:

- **Invoice Production:** Utility invoices are created and mailed to City residents at the beginning of each month. Utility invoices are due by the 25th of each month. A 10% penalty fee is assessed to all outstanding accounts on the last working day of the month.
- **Reminder Notice:** Reminder notices are sent to City residents one (1) day after the due date for all outstanding accounts.
- **Final Notice:** Final notices are normally sent out to City residents two (2) weeks after the due date for all outstanding accounts. Final Notices inform the resident that the account is subject to disconnection. A 72-hour timeframe is given to residents to submit payment or make payment arrangements.
- **Disconnection:** Typically three (3) weeks after the due date, accounts with past due balances after the Final Notice deadline are subject to disconnection. Disconnected accounts are assessed a \$60 reconnection fee.

In the last twelve (12) months, the City disconnected an average of 118 customers per month. A \$60 reconnection fee is assessed to all disconnected accounts. On average, the City collected a total of \$7,100 in service reconnection charges per month.

Suspension of turn-offs in the month of December may increase account delinquency and potentially increase the amount of uncollectible accounts written-off (referred to a collections agency) at the end of the fiscal year. Instead of detecting unpaid accounts in mid-December through the turn-off process, unpaid accounts are not caught until mid-January, thereby allowing customers to skip late fees for up to 90-days instead of the customary 60-days.

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
UTILITY TURN OFFS FOR DECEMBER 2018**

If Council decides to suspend turn offs in the month of December, the service reconnection charges would not be assessed. However, the City will still apply a 10% late fee to all delinquent accounts if their balance is not paid by December 31, 2018.

REASON FOR RECOMMENDATION:

Interruptions of essential City services such as water service due to non-payment can be disruptive during the holidays. Therefore, Council may decide to suspend service disconnections during the month of December. This action has been approved by Council since 1996.

FISCAL IMPACT:

Suspension of turn-offs in the month of December has fiscal impacts, as noted below:

- Potentially increases the number of customers who fail to pay their bills timely.
- Service reconnection charges estimated at \$7,100 would not be assessed or collected.
- Increases the likelihood of having a higher number of unpaid accounts referred to collections.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

The agenda item promotes Community Values and a Feeling of Safety by ensuring continuity of water services for our residents during the month of December.

ATTACHMENTS:

- A. Adopt a Resolution to Allow Suspension of Service Disconnections for Delinquent Accounts Scheduled on December 12, 2018.

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
UTILITY TURN OFFS FOR DECEMBER 2018**

APPROVALS:

Vanessa L. Portillo

Vanessa L. Portillo
Deputy Finance Director

11-7-18

Date

Cari James

Cari James
Director of Finance

11/8/18

Date

Salvador Navarrete

Salvador Navarrete
City Attorney

11-8-18

Date

Stephen Salvatore

Stephen Salvatore
City Manager

11-13-18

Date

RESOLUTION NO. 18-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO
SUSPEND SERVICE DISCONNECTIONS FOR DELINQUENT ACCOUNTS
SCHEDULED ON DECEMBER 12, 2018**

WHEREAS, since 1996, the City has allowed utility services to remain uninterrupted during the month of December for all utility accounts, including delinquent accounts; and

WHEREAS, the City disconnects an average of 118 customers per month; and

WHEREAS, the fee to reconnect water service after disconnection for non-payment is \$60; and

WHEREAS, the City collects an average of \$7,100 per month in reconnection fees; and

WHEREAS, the City will continue to charge the delinquent accounts a 10% late fee if the balance is not paid by December 31, 2018;

NOW, THEREFORE, BE IT RESOLVED that this City Council does hereby authorize the extension for all delinquent accounts scheduled for turn off on December 12, 2018.

The foregoing resolution was passed and adopted this 19th day of November 2018, by the following vote of the City Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

**ITEM: FUNDING FOR A MAINTENANCE WORKER I/II
IN THE PUBLIC WORKS DEPARTMENT**

**RECOMMENDATION: Adopt a Resolution to Approve Funding for a
Maintenance Worker I/II position**

SUMMARY:

The Public Works Department is responsible for the daily maintenance of city streets, parks and buildings. Due to the City's current growth plan, staff is requesting funding for one (1) Maintenance Worker I/II position in the Public Works Department.

BACKGROUND:

The Public Works Department is responsible for the daily operations and maintenance of the City's streets, parks and buildings. As the City grows, it is necessary to expand staff in order to keep up with the daily needs of the City's growing infrastructure. Based on current and future construction trends, there is a need for an additional full time Maintenance Worker I/II to meet the demands of the City's daily operations.

RECOMMENDATION:

Staff recommends Council fund one (1) Maintenance Worker I/II position in the Public Works Department. This will allow staff to maintain daily servicing operations for the City's infrastructure.

FISCAL IMPACT:

Staff request City Council approve a budget amendment in fiscal year 2018/19 to fund the Maintenance Worker II in the amount of \$62,200.

Increase Appropriation	
1010-50-05-410-11-00	\$20,200
Increase Appropriation	
1010-50-70-410-11-00	\$20,200
Increase Appropriation	
2080-50-80-410-11-00	\$20,800

ATTACHMENTS:

- A. Resolution to Approve Funding for a Maintenance Worker I/II in the Public Works Department

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
FUNDING FOR A MAINTENANCE WORKER I/II**

APPROVALS:



Michael King
Assistant Public Works Director

11-9-18

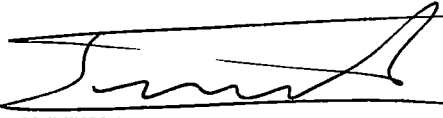
Date

for Vanessa R. Forin

Cari James
Finance Director

11-12-18


Date



Salvador Navarrete
City Attorney

11-13-18

Date



Stephen J. Salvatore
City Manager

11-15-18

Date

RESOLUTION 18-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO FUND A MAINTENANCE WORKER I/II IN THE PUBLIC WORKS DEPARTMENT

WHEREAS, the City is expanding and additional staffing is needed to keep up with that growth; and

WHEREAS, the Public Works Department is responsible for the daily maintenance of City streets, parks and buildings; and

WHEREAS, Staff has recommended fund one (1) Maintenance Worker I/II position in the Public Works Department;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves the funding to add one (1) Maintenance Worker I/II; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop approve the following amendments to the adopted Fiscal Year 2018/19 Budget:

Increase Appropriation	
1010-50-05-410-11-00	\$20,200
Increase Appropriation	
1010-50-70-410-11-00	\$20,200
Increase Appropriation	
2080-50-80-410-11-00	\$20,800

The foregoing resolution was passed and adopted this 19th day of November, 2018, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

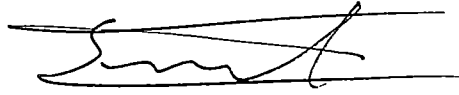
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ITEM: CHRISTMAS PARADE TEMPORARY STREET CLOSURE

RECOMMENDATION: Adopt Resolution Approving Temporary Street Closures for the Lathrop Christmas Parade on December 8, 2018

SUMMARY:

On December 8, 2018, the City of Lathrop will host the annual Christmas Parade. The parade will begin at 11:00 a.m. at the corner of Fifth and J Street and travel south and turn west on Thomsen Road; follow Thomsen Road to Cambridge Drive; turn north onto Cambridge and follow Cambridge to J Street; turn east onto J street and conclude at the corner of Fifth and J streets. Staff has coordinated the route, and the temporary street closures, with Public Works, Community Development, Lathrop Police Services and the Lathrop Manteca Fire District to ensure the safety of this event. Since the parade will utilize the entire street at these locations, staff is requesting Council approval of temporary street closures.

BACKGROUND:

On December 8, 2018, the Parks and Recreation Staff will be hosting the annual Christmas Parade. This year's theme is "Rejoice it's Christmas". More than 40 entries are anticipated.

The parade will start at 11:00 AM. This year we are returning to a longer parade route as had been done in previous years. The parade will begin at Fifth & J Streets; continue south on Fifth Street and turn west on Thomsen Road; continue on Thomsen Road and turn north on Cambridge Drive; continue on Cambridge and turn east on J Street; parade will continue on J street and conclude at the corner of J and Fifth Streets. The Judges Review Stand will be located along J Street. Staging of the parade entries will be located on J Street between 6th Street and Revere Lane as well as Sixth Street between J and K Streets.

Staff will coordinate the temporary street closures with Public Works, Community Development, Lathrop Police Services and the Fire Department. Forty-eight hours prior to the parade, the barricades will be set on the side of the road to alert the community about areas of "No Parking" and "Street Closure". On the day of the parade, additional barricades are set with advanced warning signs: "Road Closed Ahead" and "Detour Ahead". Approximately ½ hour prior to the beginning of the parade, the actual "Road Closure" signs are set in place. STARS (Sheriff's Team Active Retired Seniors) and Volunteers with the Parks and Recreation staff help at all intersections for traffic flow. At the conclusion of the parade, barricades are collected.

The Lathrop-Manteca Fire District (LMFD) will provide Santa Claus a ride in a unit that is temporarily placed out of service. LMFD in-service vehicles will also participate, at the end of the parade allowing quick response to calls if necessary.

Lastly, the Community Development Department has found the Parade to be exempt from the provisions of CEQA under Title 14 California Code of Regulations, Chapter 3, Article 19, Section 15304(e) (Minor Alterations to Land).

REASON FOR RECOMMENDATION:

The adoption of this resolution will approve the temporary street closures to allow staff to facilitate the 2018 Christmas Parade.

FISCAL IMPACT:


Expenses are offset by revenue from donations and entry fees. No other anticipated costs, other than staff time to prepare this report.

ATTACHMENTS:

- A. Resolution Approving Temporary Street Closure
- B. Parade Route Map

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
CHRISTMAS PARADE TEMPORARY STREET CLOSURE**

APPROVALS:



Zach Jones
Director of Parks and Recreation

10-18-2018

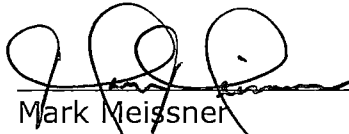
Date



Michael King
Assistant Public Works Director

10-18-18

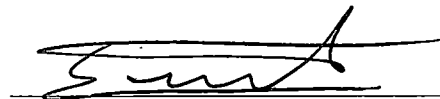
Date



Mark Meissner
Community Development Director

10-22-18

Date



Salvador Navarrete
City Attorney

10-18-18

Date



Stephen Salvatore
City Manager

10-23-18

Date

RESOLUTION NO. 18-_____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING TEMPORARY STREET CLOSURES FOR THE 2018 CHRISTMAS
PARADE ON DECEMBER 8, 2018**

WHEREAS, on November 19, 2018 the City Staff requested City Council approval for temporary street closures for the 2018 Christmas Parade; and

WHEREAS, the streets recommended for temporary closure for the parade route and staging areas include: Staging of the parade entries will be located on J Street between 6th Street and Revere Lane as well as Sixth Street between J and K Streets. The parade will begin at Fifth & J Streets; continue south on Fifth Street and turn west on Thomsen Road; continue on Thomsen Road and turn north on Cambridge Drive; continue on Cambridge and turn east on J Street; parade will continue on J street and conclude at the corner of J and Fifth Streets; and

WHEREAS, the City of Lathrop's Public Works Department has agreed to set barricades on the side of the road to alert the community about areas of closure 48 hours in advance of the parade; and

WHEREAS, advanced temporary signage will be placed on the streets identifying the temporary closure from approximately 10:00a.m. to 12:30p.m. on December 8, 2018; and

WHEREAS, the STARS (Sheriff's Team Active Retired Seniors) has been contacted to help at intersections for traffic flow during the temporary street closure and the Fire Department has been coordinated with for the parade route; and

WHEREAS, the parade is exempt from the provisions of CEQA pursuant to Title 14 California Code of Regulations, Chapter 3, Article 19, Section 15304 (e) (Minor Alterations to Land);

NOW, THEREFORE, BE IT RESOLVED that pursuant to Vehicle Code Section 21101, subdivision (e), the City Council of the City of Lathrop does hereby approve temporary closure of: Staging of the parade entries will be located on J Street between 6th Street and Revere Lane as well as Sixth Street between J and K Streets. The parade will begin at Fifth & J Streets; continue south on Fifth Street and turn west on Thomsen Road; continue on Thomsen Road and turn north on Cambridge Drive; continue on Cambridge and turn east on J Street; parade will continue on J street and conclude at the corner of J and Fifth Streets from approximately 10:00a.m. to 12:30p.m. on December 8, 2018.

PASSED AND ADOPTED this 19th day of November 2018, by the following vote:

AYES:

NOES:

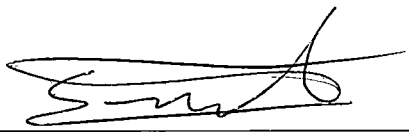
ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

APPROVED AS TO FORM:

ATTEST:



Salvador Navarrete, City Attorney

Teresa Vargas, City Clerk

2018 Christmas Parade Proposed Route



**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

**ITEM: ACCEPT IMPROVEMENTS FOR THE 5TH STREET
SIDEWALK IMPROVEMENT PROJECT CIP PS 15-19**

**RECOMMENDATION: Adopt a Resolution Accepting Improvements from
McFadden Construction, Inc. and Sinclair General
Engineering Construction, Inc. for the 5th Street
Sidewalk Improvement Project CIP PS 15-19 and
Authorize the Filing of a Notice of Completion**

SUMMARY:

Capital Improvement Project (CIP) PS 15-19 5th Street Sidewalk Improvement was included in the approved Fiscal Year 2018/19 budget. The project scope includes the construction of a sidewalk along the eastern side of 5th Street between H Street and O Street.

Staff requests that City Council adopt a resolution accepting the improvements completed pursuant to the 5th Street Sidewalk Improvement Project CIP PS 15-19 from Sinclair General Engineering Construction, Inc. (Sinclair). Staff also requests that City Council authorize a Notice of Completion to be filed with the San Joaquin County Clerk.

BACKGROUND:

At the December 5, 2016 City Council Meeting, Council approved a construction contract with McFadden Construction, Inc. in the amount of \$319,504 and authorized a 15% contingency in the amount of \$47,926 for staff to use as necessary to achieve the goals of the project. The total construction budget for the project was \$367,430.

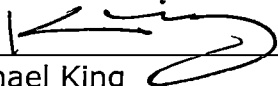
During construction the City and McFadden were unable to agree on the interpretation of the plans and specifications. The City and McFadden agreed to terminate the Construction Contract to McFadden dated December 5, 2016.

On September 27, 2017 the City issued a Notice to Proceed to Sinclair to complete the construction for the 5th Street Sidewalk Improvement CIP PS 15-19 in the amount of \$17,438.

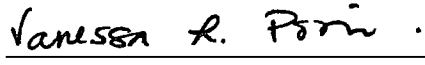
Staff requests City Council adopt a resolution accepting improvements associated with CIP PS 15-19 5th Street Sidewalk Improvement Project as constructed by McFadden and Sinclair. Staff is also requesting authorization to file a Notice of Completion with the San Joaquin County Clerk.

CITY MANAGER'S REPORT **PAGE 3**
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
ACCEPT IMPROVEMENTS FOR THE 5TH STREET SIDEWALK IMPROVEMENT
PROJECT CIP PS 15-19

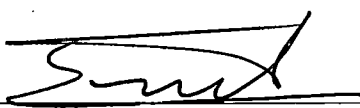
APPROVALS:



Michael King
Assistant Public Works Director 11-7-18
Date

for 

Cari James
Director of Finance 11-12-18
Date



Salvador Navarrete
City Attorney 11-14-18
Date



Stephen J. Salvatore
City Manager 11-14-18
Date

RESOLUTION NO. 18-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ACCEPTING IMPROVEMENTS FROM MCFADDEN CONSTRUCTION, INC.
SINCLAIR GENERAL ENGINEERING CONSTRUCTION, INC FOR THE 5th
STREET SIDEWALK IMPROVEMENT PROJECT CIP PS 15-19 AND AUTHORIZE
THE FILING OF A NOTICE OF COMPLETION**

WHEREAS, on December 5, 2016, City Council awarded the contract for 5th Street Sidewalk Improvement Project PS 15-19 to McFadden Construction, Inc. (McFadden) in the amount of \$319,504, and authorized a 15% contingency in the amount of \$47,926 for a total construction authorization of \$367,430; and

WHEREAS, during construction the City and McFadden were unable to agree on the interpretation of the plans and specifications and the City and McFadden agreed to terminate the Construction Contract to McFadden dated December 5, 2016; and

WHEREAS, on September 27, 2017 City issued a Notice to Proceed to Sinclair General Engineering Construction, Inc. (Sinclair) for the 5th Street Sidewalk Improvement CIP PS 15-19 to complete the project; and

WHEREAS, Sinclair has completed construction of the project, the improvements were inspected by City staff for conformance with the plans and specifications and meet the satisfaction of the Assistant Public Works Director; and

WHEREAS, adequate funds were allocated in the FY 18/19 budget to close out the project and staff requests City Council to authorize the unused total funds be returned to the funding sources;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby accepts the work performed by McFadden and Sinclair for the 5th Street Sidewalk Improvement Project CIP PS 15-19 as complete and authorizes the City Manager, or his designee, to file a Notice of Completion.

The foregoing resolution was passed and adopted this 19th day of November 2018, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

RECORDING REQUESTED BY

CITY OF LATHROP

AND WHEN RECORDED MAIL TO

NAME City of Lathrop
City Clerk
STREET 390 Towne Centre Drive
ADDRESS Lathrop, CA 95330
CITY &
STATE
ZIP

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

- 1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:
NAME STREET AND NO. CITY STATE
City of Lathrop 390 Towne Centre Drive Lathrop California
(If more than one owner of the interest stated, the name and address of each must be stated)
2. That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.
3. That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is:
The 5th Street Sidewalk Improvement Project CIP PS 15-19, by Mc Fadden Construction, Inc. and Sinclair General Engineering Construction, Inc.
4. That on the 19 day of November, 2018 a work of improvement on the real property herein described was completed.
5. That the name of the original contractor, if any, for said work of improvement was: Sinclair General Engineering Construction, Inc.
6. That the name and address of the transferor is:
NAME STREET AND NO. CITY STATE
McFadden Construction, Inc. 7207 Murray Drive Stockton California
Sinclair General Engineering Construction, Inc. PO Box 1453 Oakdale California
7. That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:
The 5th Street Sidewalk Improvements Project, Project No. CIP PS 15-19

By: _____
City Manager

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: _____
City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **November 19, 2018** from **McFadden Construction, Inc. and Sinclair General Engineering Construction, Inc.**, to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **November 19, 2018**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By _____
City Manager

CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)

ATTACHMENT C

Project: 5th Street Sidewalk Project (PS 15-19)
Date: 11/9/18

Item	Unit	QTY	Unit Price	Ext. Price
CONCRETE SIDEWALK	SF	17,000	\$ 6.31	\$ 107,270.00

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**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM: ACCEPT IMPROVEMENTS FOR MOSSDALE TRAIL LIGHTING CIP PK 18-10 FROM T&S INTERMODAL MAINTENANCE, INC.

RECOMMENDATION: Adopt a Resolution Accepting Improvements from T&S Intermodal Maintenance, Inc. for CIP PK 18-10 Mossdale Trail Lighting; Authorizing the Filing of a Notice of Completion and the Release of Contract Retention

SUMMARY:

T&S Intermodal Maintenance, Inc. (T&S) has completed construction of Capital Improvement Project (CIP) PK 18-10 Mossdale Trail Lighting Project. The project is complete and staff is requesting City Council adopt a resolution accepting the improvements. Staff also requests that City Council authorize the filing of a Notice of Completion (NOC) with the San Joaquin County Clerk and authorize the release of contract retention to T&S 45 days after recording the NOC.

BACKGROUND:

On March 12, 2018, Council approved the formation of the Mossdale Trail Lighting CIP PK 18-10. Council requested staff bid the project and select a competent and responsible contractor to complete the project. Subsequently, Council approved six (6) hard-wired pathway lights along the western edge of the park where no lighting existed and where a maintenance road provides vehicular access to the levee and the pump station.

In March 2018, staff completed contract plans and specifications for the Mossdale Trail Lighting Project. In accordance with Public Contract Code and LMC 2.36.060, the project was advertised for bids.

On May 23, 2018, the City received three (3) sealed bids; the bids were opened by the City Clerk and publicly read. T&S submitted the lowest total base bid in the amount of \$72,600 and was determined to be responsive and responsible bidder based upon previous project history, licensing qualifications and responsiveness to the bid requirements. On June 11, 2018, City Council awarded a construction contract with T&S to construct the Mossdale Trail Lighting Project.

Tonight, staff requests the City Council accept the improvements from T&S for CIP PK 18-10 Mossdale Trail Lighting Project.

CITY MANAGER'S REPORT **PAGE 2**
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
ACCEPTING MOSSDALE PARK TRAIL LIGHTING PROJECT IMPROVEMENTS

The work has been completed per the contract plans and specifications, inspected by City staff and meets the satisfaction of the Assistant Public Works Director. Prior to the release of contract retention, T&S will provide all lien releases for the materials supplied and work completed. Staff requests authorization to file a NOC with the San Joaquin County Recorder and release the contract retention to T&S 45 days after filing the NOC.

REASON FOR RECOMMENDATION:

T&S has completed the construction of CIP PK 18-10 Mossdale Trail Lighting. The improvements were inspected by City staff for conformance with the contract plans and specifications, and meet the satisfaction of the Assistant Public Works Director.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

CIP PK 18-10 Mossdale Trail Lighting promotes Public Safety by providing lighting the along the western edge of the Mossdale Park which increases pedestrian safety.

FISCAL IMPACT:

The current CIP budget was sufficient to fund this project and no contingency was used.

ATTACHMENTS:

- A. A Resolution of the City Council of the City of Lathrop Accepting the Completion of the Mossdale Trail Lighting CIP PK 18-10 and Authorize the Filing a Notice of Completion and Release of Contract Retention
- B. Notice of Completion
- C. GASB 34 Report

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
ACCEPTING MOSSDALE PARK TRAIL LIGHTING PROJECT**

APPROVALS:



Ken Reed
Senior Construction Manager

11-2-2018

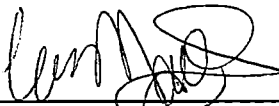
Date



Michael King
Assistant Public Works Director

11-6-18


Date



Cari James
Finance Director

11/9/18

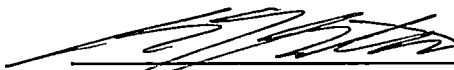
Date



Salvador Navarrete
City Attorney

11-8-18

Date



Stephen J. Salvatore
City Manager

11-13-18

Date

RESOLUTION NO. 18-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ACCEPTING IMPROVEMENTS FROM T&S INTERMODAL MAINTENANCE, INC.
FOR CIP PK 18-10 MOSSDALE TRAIL LIGHTING; AUTHORIZING THE FILING
OF NOTICE A COMPLETION AND RELEASE OF CONTRACT RETENTION**

WHEREAS, on March 12, 2018, Council approved the formation of CIP PK 18-10 Mossdale Trail Lighting. Council requested staff bid the project and select a competent and responsible contractor to complete the project. Subsequently, Council approved six (6) hard-wired pathway lights along the western edge of the park where no lighting existed and where a maintenance road provides vehicular access to the levee and the pump station; and

WHEREAS, in March 2018, staff completed contract plans and specifications for the Mossdale Trail Lighting Project. In accordance with Public Contract Code and LMC 2.36.060, formal bidding procedures, the project was advertised for bids; and

WHEREAS, on May 23, 2018, the City received three (3) sealed bids; the bids were opened by the City Clerk and publicly read. T&S Intermodal Maintenance, Inc. (T&S) submitted the lowest total base bid in the amount of \$72,600 and was determined to be responsive and responsible bidder based upon previous project history, licensing qualifications and responsiveness to the bid requirements; and

WHEREAS, on June 11, 2018, City Council awarded a construction contract to T&S to complete the Mossdale Trail Lighting Project; and

WHEREAS, T&S has completed construction of the project, the improvements were inspected by City staff for conformance with the plans and specifications and meet the satisfaction of the Assistant Public Works Director;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby accepts the work performed by T&S for CIP PK 18-10 Mossdale Trail Lighting as complete and authorizes the City Manager, or his designee, to file a Notice of Completion (NOC) with the San Joaquin County Recorder and authorize the release of retention 45 days after recording the Notice of Completion.

The foregoing resolution was passed and adopted this 19th day of November 2018, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

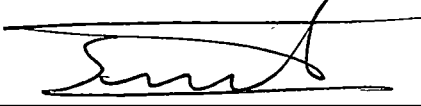
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

RECORDING REQUESTED BY

CITY OF LATHROP

AND WHEN RECORDED MAIL TO

NAME City of Lathrop
City Clerk
STREET 390 Towne Centre Drive
ADDRESS Lathrop, CA 95330
CITY &
STATE
ZIP

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

- That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:

NAME	STREET AND NO.	CITY	STATE
<u>City of Lathrop</u>	<u>390 Towne Centre Drive</u>	<u>Lathrop</u>	<u>California</u>

(If more than one owner of the interest stated, the name and address of each must be stated)
- That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.
- That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is: Mossdale Landing Community Park Trail Lighting, Project No. CIP PK 18-10, by T&S Intermodal Maintenance, Inc.
- That on the 19 day of November, 2018 a work of improvement on the real property herein described was completed.
- That the name of the original contractor, if any, for said work of improvement was: T&S Intermodal, Inc.
- That the name and address of the transferor is:

NAME	STREET AND NO.	CITY	STATE
<u>T&S Intermodal Maintenance, Inc.</u>	<u>6540 Austin Road</u>	<u>Stockton</u>	<u>California</u>
- That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:

Mossdale Landing Community Park Trail Lighting, Project No. CIP PK 18-10

By: _____
City Manager

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: _____
City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **November 19, 2018** from **T&S Intermodal Maintenance, Inc.**, to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **November 19, 2018**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By _____
City Manager

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB 34 REPORT)**

Date: 1/1/2018

Submitted by: Ken Reed (Senior Construction Manager)

Tract No.: Mossdale Landing Community Park

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Total Price</u>
LED Lumec S56 80W48LED4K T ACDR LE3 UNIV DMG SFX FN1 TN 2.875C GN8TX FIXTURE W/VI A7 F14'3" TENON	Each	<u>6</u>	\$ 12,100.00	\$ 72,600.00

Grand total for the project \$ 72,600.00

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING**

ITEM: RESOLUTION OF INTENTION TO VACATE A PORTION OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

RECOMMENDATION: Adopt Resolution Approving the City's Intention to Vacate 9,789 Square Feet of Madrugá Road to South Lathrop Land, L.L.C.

SUMMARY:

On September 10, 2018, City Council approved Parcel Map 17-01 and a Subdivision Agreement for South Lathrop Commerce Center with South Lathrop Land, L.L.C. As part of the final map's approval, the developer was required to construct offsite improvements. These offsite improvements include the widening, extension and renaming of Madrugá Road to Glacier Street. As a result of the extension of Madrugá Road, a portion of the cul-de-sac, approximately 9,789 square feet, is no longer needed by the City and can only be used if merged with adjoining property, owned by South Lathrop Land, L.L.C. On October 3, 2018 South Lathrop Land, L.L.C. submitted a letter requesting the City to vacate a portion of Madrugá Road.

While the majority of City roadways are easements, Madrugá Road is owned in fee title, which requires that the City go through a right-of-way vacation process pursuant to Section 8835(a) of the California Streets and Highways Code. Council may vacate a street pursuant to the authority provided in this chapter by first adopting a resolution of intention to vacate.

The first step in the process of vacating a portion of Madrugá Road is the adoption of an initial resolution of intention to vacate that sets the date, hour and place of the public hearing to consider the abandonment of the street. Should the Council approve the resolution of intention, staff will take an item to the Planning Commission to request that the Planning Commission of the proposed street vacation conforms to the City's General Plan. If the Planning Commission confirms the conformity of the proposed right-of-way vacation, staff will return to Council on December 10, 2018, recommending Council adopt a resolution to vacate approximately 9,789 square feet of Madrugá Road.

Staff recommends that Council adopt the resolution of intention to vacate a portion of Madrugá Road to South Lathrop Land, L.L.C.

RESOLUTION OF INTENTION TO VACATE 9,789 SQUARE FEET OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

BACKGROUND:

On September 10, 2018, City Council approved Parcel Map 17-01 and a Subdivision Agreement for South Lathrop Commerce Center with South Lathrop Land, L.L.C. As part of the final map's approval, the developer was required to construct offsite improvements.

These offsite improvements include the widening, extension and renaming of Madruga Road to Glacier Street. Due to the extension of Madruga Road, a portion of the former cul-de-sac is no longer needed by the City. This portion consists of 9,789 square feet and is of no use to anyone unless merged with the adjoining property, owned by South Lathrop Land, L.L.C.

The first step in the process of vacating a portion of Madruga Road is the adoption of an initial resolution of intention to vacate that sets the date, hour and place of the public hearing to consider the abandonment of streets. This initial step also directs the Public Works Department to notify the City Clerk to publish and post the required public notice. Should Council approve the resolution of intention, staff will take an item to the Planning Commission to request that the Planning Commission confirm the proposed street vacation conforms with the City's General Plan. If the Planning Commission confirms the conformity of the proposed right-of-way vacation, staff will return to Council on December 10, 2018, recommending the adoption of a resolution to vacate a portion of Madruga Road.

This proposed resolution of intention to vacate and the ultimate vacation are exempt from CEQA pursuant to Section 15061(b) (3) of the State CEQA Guidelines because it can be seen with certainty that there is no possibility that the activity in question may have significant effect on the environment.

Tonight, staff requests that the City Council adopt the resolution of intention to vacate in order to establish a future public hearing to be held on December 10, 2018 at which time Council may consider taking formal action to vacate a portion of Madruga Road.

REASON FOR RECOMMENDATION:

Due to the extension of Madruga Road in South Lathrop Specific Plan a portion of the former cul-de-sac is no longer needed and is of no significant use unless merged with the adjoining property owned by South Lathrop Land, L.L.C. The value of offsite improvements being constructed by South Lathrop Land, L.L.C far exceeds for the general benefit the value of the portion of cul-de-sac to be vacated.

FISCAL IMPACT:

There is no fiscal impact at this time.

NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING

RESOLUTION OF INTENTION TO VACATE 9,789 SQUARE FEET OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

ATTACHMENTS:

- A. Resolution Approving the City of Lathrop's Intent to Vacate 9,789 Square Feet of Madruga Road to South Lathrop Land, L.L.C.
- B. South Lathrop Commerce Center Civil Site Plan
- C. Plat of Roadway Vacation & Legal Description of Roadway Vacation
- D. Initiation of Process to Vacate: Letter from Philip Prassas, Vice President of South Lathrop Land, L.L.C.


CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
RESOLUTION OF INTENTION TO VACATE 9,789 SQUARE FEET OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

APPROVALS:




Michael King
Assistant Public Works Director

11-8-18
Date



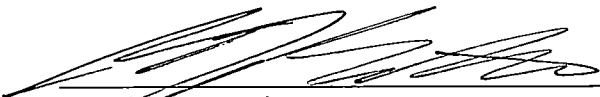
Cari James
Director of Finance

11/9/18
Date



Salvador Navarrete
City Attorney

11-13-18
Date



Stephen J. Salvatore
City Manager

11.13.18
Date

RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP OF ITS INTENT TO VACATE 9,789 SQUARE FEET OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

WHEREAS, due to extension of Madruga Road, a portion of the former cul-de-sac, approximately 9,789 square feet, which is no longer needed and is of no significant use unless merged to the adjoining property owned, by South Lathrop Land, L.L.C.; and

WHEREAS, there appears to be no further public need or purpose to maintain the public right-of-way of that former cul-de-sac section of Madruga Road; and

WHEREAS, on October 3, 2018, South Lathrop Land, L.L.C. submitted a letter to the City requesting the initiation of the process to vacate a portion of Madruga Road; and

WHEREAS, the proposed vacation could only benefit the adjoining property owned by South Lathrop Land, L.L.C. Assessor Parcel Number 241-030-13 along the existing alignment of Madruga Road; and

WHEREAS, land so vacated must be paid for, or exchanged for value, in accordance with Public Streets, Highways, and Service Easements Vacation Law at California Streets & Highways Code Section 8355(a), and South Lathrop Land agreed to widen and extend, for general City benefit new Glacier Street, formally Madruga Road in excess of the required improvements; and

WHEREAS, the California Government Code Section 65402, subdivision(a), requires that prior to any action regarding a road vacation being taken by the City Council, the Planning Commission find such action to be in conformity with the general plan, and the City Council must consider the proposed vacation at a duly noticed public hearing on December 10, 2018; and

WHEREAS, the environmental impacts of the South Lathrop Specific Plan project were addressed in a certified Environmental Impact Report (SCH No. 2013012064) adopted by the Lathrop City Council on July 20, 2015 by passage of Resolution No. 15-3963, and as such, consistent with Public Resources Code Section 21166 and State CEQA Guidelines Section 15162, there is no basis warranting further environmental review with respect to the proposed road vacation;

NOW, THEREFORE, BE IT RESOLVED, based on substantial evidence in the record, hereby finds, determines, and orders as follows:

Section 1. The above recitals are true and correct and are incorporated by reference herein.

Section 2. Declaration of Intent and Description of Right-of-Way Proposed for Vacation. The City Council of the City of Lathrop declares its intent to quit claim the retained public right-of-way in Madrugá Road. Quit claim will be contingent upon the submittal of a Lot Line Adjustment by South Lathrop Land to blend quit claimed portion into adjacent parcel.

Section 3. Description of Right-of-Way Proposed for Vacation. The description of the proposed vacation of Madrugá Road is shown on the legal description and map attached as Attachment 2 and incorporated by reference herein.

Section 4. Authority. The proceedings to vacate the described section of Madrugá Road are conducted under the authority of Chapter 3, Part 3, Division 9 of the California Streets and Highway Code Sections 8320 *et seq.*

Section 5. Hearing. A hearing on the resolution to vacate is hereby set for December 10, 2018 at 7 p.m. at City Hall, 390 Towne Center Dr., Lathrop California 95530.

Section 6. Referral to Planning Commission. The City Council hereby directs the Planning Commission to prepare and file with the Council, as soon as possible and prior to the aforementioned public hearing, a report addressing the conformity of the proposed road vacation with the Lathrop General Plan and any applicable specific plans.

Section 7. This Resolution shall take effect upon its adoption.

The foregoing resolution was passed and adopted this 19th day of November 2018, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

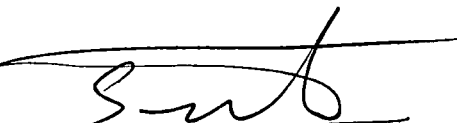
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

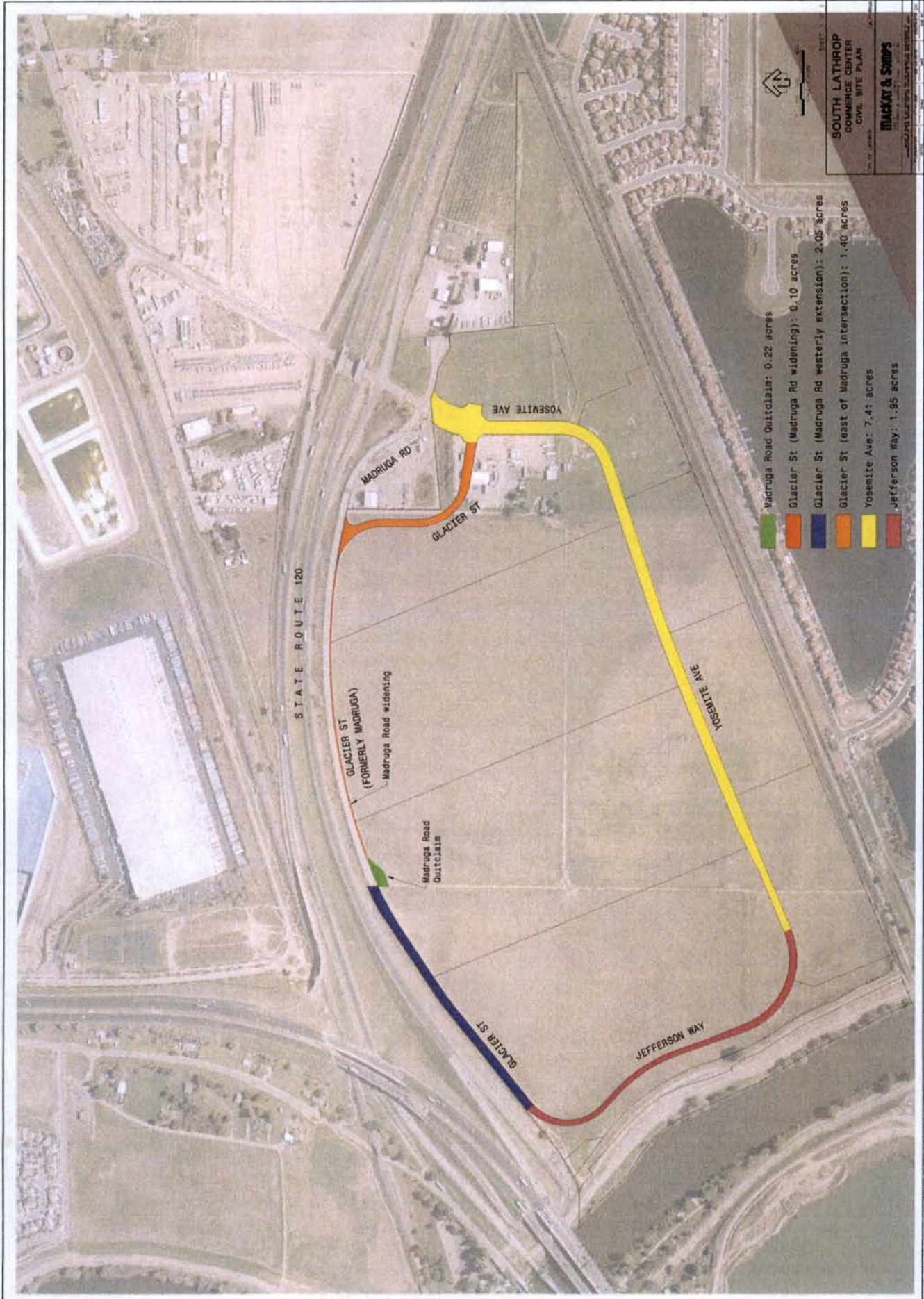
Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTACHMENT B



ATTACHMENT C

LEGAL DESCRIPTION
ROADWAY VACATION

CERTAIN REAL PROPERTY SITUATED IN THE CITY OF LATHROP, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, BEING A PORTION OF PUBLIC ROAD KNOWN AS MADRUGA ROAD, AS DESCRIBED IN THE DOCUMENT RECORDED AS DOCUMENT NUMBER 85008988, ON FEBRUARY 7, 1985, SAN JOAQUIN COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID MADRUGA ROAD, THENCE ALONG THE WESTERLY LINE OF SAID MADRUGA ROAD NORTH 0°42'48" EAST, 65.74 FEET;

THENCE LEAVING SAID WESTERLY LINE, ALONG A NON-TANGENT CURVE TO THE RIGHT, FROM WHICH THE RADIUS POINT BEARS SOUTH 24°05'15" EAST, HAVING A RADIUS OF 1977.50 FEET, THROUGH A CENTRAL ANGLE OF 5°35'57", AND AN ARC LENGTH OF 193.25 FEET, TO A POINT ON THE SOUTHERLY LINE OF SAID MADRUGA ROAD;

THENCE ALONG SAID SOUTHERLY LINE THE FOLLOWING TWO (2) COURSES:

1. SOUTH 39°40'23" WEST, 137.22 FEET;
2. THENCE SOUTH 72°01'17" WEST, 97.99 FEET, TO THE POINT OF BEGINNING.

CONTAINING 9,789 SQUARE FEET, MORE OR LESS.

END OF DESCRIPTION

PREPARED BY:

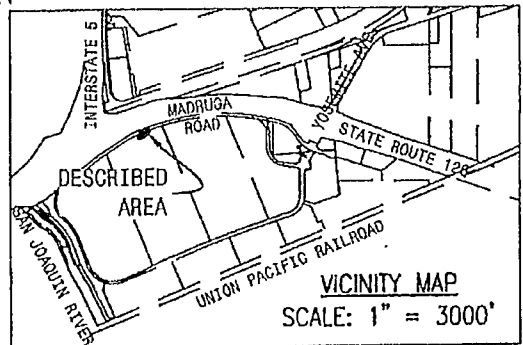
IAN BRUCE MACDONALD
LICENSED LAND SURVEYOR NO. 8817
(EXP. 12/31/19)
STATE OF CALIFORNIA



DATE

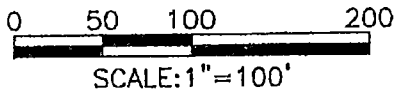
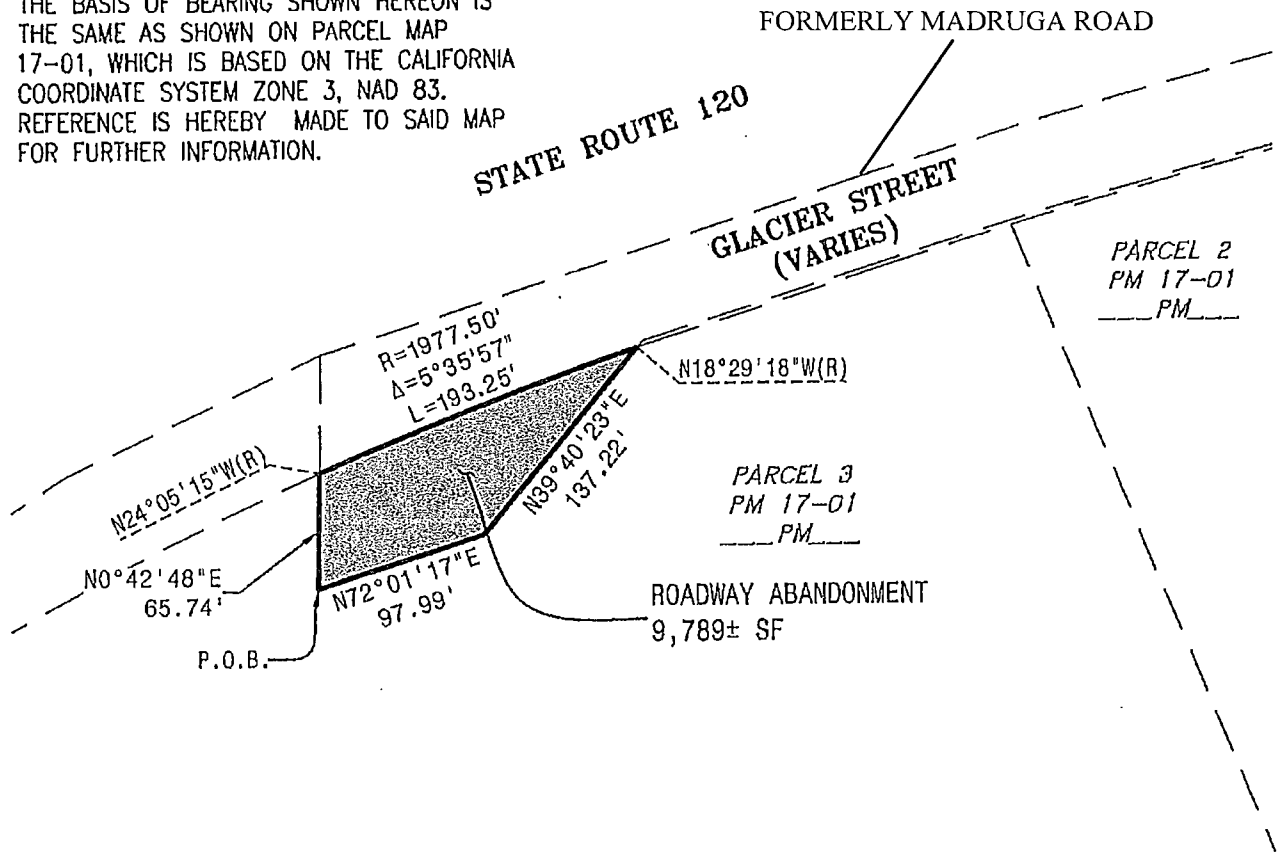
MACKEY & SOMPS
CIVIL ENGINEERING • LAND PLANNING • LAND SURVEYING
5142 Franklin Drive Suite B, Pleasanton, CA. 94588-3335
(925) 225-0690

ATTACHMENT C
ROADWAY VACATION



NOTE:

THE BASIS OF BEARING SHOWN HEREON IS THE SAME AS SHOWN ON PARCEL MAP 17-01, WHICH IS BASED ON THE CALIFORNIA COORDINATE SYSTEM ZONE 3, NAD 83. REFERENCE IS HEREBY MADE TO SAID MAP FOR FURTHER INFORMATION.



LEGEND

- BOUNDARY OF DESCRIPTION
- - - - EXISTING PARCEL/RIGHT OF WAY LINE
- PM PARCEL MAP
- P.O.B. POINT OF BEGINNING
- AREA OF DESCRIPTION

PLAT TO ACCOMPANY LEGAL DESCRIPTION			
ROADWAY VACATION			
LATHROP		CALIFORNIA	
MACKAY & SOMPS			
ENGINEERS 5142B FRANKLIN DR, PLEASANTON, CA 94588		PLANNERS SURVEYORS (925)225-0690	
DRAWN IBM	DATE FEB. 2018	SCALE 1"=100'	JOB NO. 25223.01

ATTACHMENT D

October 3, 2018

Glenn Gebhardt
City Engineer
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

RE: Initiation of Process to Vacate Outlier Parcel on Madrugá Road

Dear Glenn:

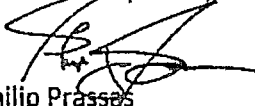
I am reaching out to you to ask your assistance in having the City commence proceedings to vacate that small section of Madrugá Road (approx. 0.22 acre) that the City currently owns in fee, pursuant to Streets & Highways Code section 8355(a). This request is being made since, as a result of the approval by the City Council and anticipated recordation of Parcel Map 17-01 ("Parcel Map"), the subject property will become an outlier parcel ("Outlier Parcel") and will no longer be needed for use by the public given the new public improvements that are being constructed by South Lathrop Land, L.L.C. ("South Lathrop Land").

As you know, the City required that South Lathrop Land fund, design, and construct an abundance of public infrastructure (at a cost of more than \$28.1M) to not only allow for the planned development of the property owned by South Lathrop Land within the South Lathrop Specific Plan area, but also to allow for the future development of other areas of the City, including the Lathrop Gateway property and the McKinley corridor property.

The vacation and subsequent conveyance in fee of the Outlier Parcel to South Lathrop Land is in accordance with state law, specifically Streets and Highways Code section 8355(a) as an exchange and offset, with the value of the above-referenced public improvements significantly exceeding the nominal value of the Outlier Parcel. Please find attached several exhibits that more fully describe the Outlier Parcel (see Attachments 2 and 3 (consisting of the exhibit showing the location of the Outlier Parcel and the legal description for same)).

Please let us know what other information the City might need in order to initiate the vacation process and help move it forward as expeditiously as feasible.

Best,
South Lathrop Land, L.L.C.


Philip Prasse
Vice President

Attachments

cc: Chris Ragan, Nadia Costa

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**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING**

ITEM: APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 89 LOTS IN TRACT 3999 VILLAGE "BB" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

RECOMMENDATION: Adopt Resolution Approving Final Map for Tract 3999 Village "BB" within the Lakeside East District, Totaling 89 Single-Family Lots and a Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue

SUMMARY:

On June 1, 2015, the City approved an amendment to Vesting Tentative Map Tract 3694 (VTM 3694), Phase 1 of River Islands at Lathrop that revised conditions of approval for new development within Phase 1. On July 18, 2018, the Lathrop Planning Commission approved a Neighborhood Design Plan and Architectural Guidelines, and Design Standards (AG/DS) for the Lakeside East District (also known as "Stage 2A") within Phase 1.

This proposed Final Map Tract 3999 for Kiper Homes (Builder) will be the first tract map within the Village "BB" area. The Builder is proposing eighty-nine (89) 55' x 100' single-family lots. A Vicinity Map is included as Attachment B.

Staff recommends that the City Council approve the proposed Final Map Tract 3999, Village "BB" within the Lakeside East District, totaling 89 single-family lots and a Subdivision Improvement Agreement (Attachment C) with River Islands Development, LLC, and Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue.

BACKGROUND:

On March 27, 2007, the City Council approved VTM 3694 and amended VTM 3694 on June 1, 2015, with updated conditions of approval. Tract 3999 as proposed by River Islands Development, LLC (RID), as the subdivider, complies with the most current conditions of approval.

The land for Tract 3999 is within the geographic boundaries of VTM 3694 (Phase 1) first approved by Council on March 27, 2007, and amended on June 1, 2015, with updated conditions of approval.

CITY MANAGER'S REPORT **Page 2**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 3999 VILLAGE "BB" TOTALING 89 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

On August 25, 2016, the City Community Development Department approved a Finding of Substantial Conformance for VTM 3694 for the Stage 2A sub-planning area. This action allowed minor changes in the land use pattern for VTM 3694 at RID's request.

On July 9, 2018, the City Council approved Tract 3908, a large lot final map consistent with conditions of approval for VTM 3694. This large lot final map creates large "blocks" of land that are consistent with future proposed small lot final maps associated with the Lakeside East planning District. This provides RID the ability to process small lot final maps in an orderly fashion where one small map does not depend on another. The approval of Tract 3908 also required the posting of security for the construction of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary which provides the primary access from the existing River Islands development to Village BB and the rest of the Stage 2A sub-planning area.

On July 18, 2018, the Lathrop Planning Commission approved a Neighborhood Design Plan and Architectural Guidelines, and Design Standards (AG/DS) for the Lakeside East District (also known as "Stage 2A") within Phase 1. While the NDP contains conceptual guidance on parks within Lakeside East, a Master Parks Plan amendment that includes revisions to parks and open space to the Stage 2A area is pending Planning Commission action.

As required by the City's subdivision ordinance, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee certain off-site and on-site improvements. As a result, the SIA for Tract 3999 requires that security (bonds, cash or equivalent) are posted to guarantee unfinished infrastructure within Village "BB." As a result, a performance bond for \$1,340,761 has been posted as well as a labor and materials bond for \$670,381 has also been posted for performance bonds as security for all unfinished improvements within Village "BB."

The SIA also refers to the Agreement for Dedication, Inspection, and Guarantee of Streets and Public Improvements ("Off-site Agreement") that was first approved by the City on September 30, 2013, to the extent that the Off-site Agreement is still valid for certain improvements. Tract 3999 will not trigger any additional off-site improvements and the Off-site Agreement will apply to Tract 3999 as it has to all previous final maps in River Islands with no additional security for off-site improvements. Acceptance of all public improvements will be processed by staff at a later date when the unfinished improvements are complete. At that time, RID will be required to post one (1) year maintenance bonds as a warranty for the completed infrastructure.

As with all new development within Phase 1 of River Islands, the villages within Stage 2A are required to be annexed to the three different Community Facilities Districts (CFD's) for maintenance purposes in accordance with the Third Amendment to the River Islands Development Agreement.

CITY MANAGER’S REPORT **Page 3**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 3999 VILLAGE “BB” TOTALING 89 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

As with all new development within Phase 1 of River Islands, Village “BB” annexed to the three different Community Facilities Districts (CFD’s) for maintenance purposes. The CFDs are for City, Reclamation District 2062 (RD 2062) and River Islands Public Financing Authority (RIPFA). The annexations within Phase 1 of River Islands for Villages U, V, T, AA, BB and Y, recorded with San Joaquin County Assessor/Recorder/County Clerk Office on November 2, 2018.

Access to Village “BB” will be provided via Garden Farms Avenue. As a result, an Irrevocable Offer of Dedication (IOD) will be necessary for the portion of Garden Farms Avenue that abuts the Village “BB” area, as well as for portions of Bosch Avenue and Oberlin Avenue that will provide secondary access to the site.

Finally, before Final Map Tract 3999 is recorded, RID must also satisfy the Escrow Instructions (Attachment D) that guarantee all fees required in the Sierra Club Agreement are paid.

REASON FOR RECOMMENDATION:

The applicant has completed the most of the street and utility improvements within Village “BB”. RID has posted security with the City for the unfinished improvements as required by the SIA. RID shall also provide a 10% maintenance bond to guarantee the full improvements (completed and uncompleted) for one year once the improvements are accepted. RID has provided the tract map, the tract improvement plans, all required documents and all fees for Tract 3999.

Following is a summary of documents and fees related to this subdivision:

Documents	Status
1. Final Map ready for signature	Completed
2. Subdivision Improvement Agreement	Completed
3. Performance Security – Uncompleted Landscaping and Miscellaneous Improvements provided with Tract 3999	Completed
4. Labor and Materials Security – Uncompleted Landscaping and Miscellaneous Improvements provided with Tract 3999	Completed
5. Street Improvement, Landscape Plans	Completed
6. Street Light, Joint Trench Plans	Completed
7. Geotechnical Report	Completed
8. Agreement for Backbone Improvements and Parks (Agreement for Dedication, Inspection and Guarantee of Streets and Public Improvements)	Completed

CITY MANAGER'S REPORT **Page 4**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 3999 VILLAGE "BB" TOTALING 89 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

9.	Approval of 3 rd Amendment to Development Agreement that guarantees the creation of CFD for City Maintenance and Shortfalls, and Guarantee of Developer CFDs for Developer/other public agency Maintenance	Completed
10.	Allocation of Water and Sewer capacity,	Completed
11.	Submitted Certificate of Insurance, Tax Letter	Pending recordation of final map
12.	Submitted Preliminary Guarantee of Title	Completed
13.	Escrow Instructions	Completed
14.	Lathrop Community Facilities District (CFD's)	Annexed with FM 3989 on October 10, 2018
15.	Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue	Approval Pending with this item
Fees		Status
1.	Final Map plan check fee	Paid
2.	Improvement Plans - Plan check and inspection fees	Paid
3.	Sierra Club Settlement fee	To be paid in escrow

The above-noted documents and fees are required by the VTM 3694 conditions of approval prior to approval of the Final Map by City Council. The guarantee is in the form of the Subdivision Improvement Agreement with security and improvement plans.

Extensive off-site improvements to serve this Tract 3999 have already been completed including construction of levees, participation in construction of a Wastewater Treatment Plant (Consolidated Treatment Facility) and related storage ponds and sprayfields, purchase of SSJID surface water and the construction of utility infrastructure to serve the proposed Tract. Additional off-site improvements that are required to serve this Final Map are detailed in the Off-site Agreement approved by the City Council in 2014.

Before the Final Maps are recorded, RID must also satisfy the Escrow Instructions (Attachment D) that guarantee all required payments to the Sierra Club are made under the terms of the 3rd Amendment to the Development Agreement.

BUDGET IMPACT:

There is no budget impact to the City. All City costs are covered by development fees, and any shortfalls in City maintenance and operating costs are covered by the CFD's for maintenance. RID is also providing funds necessary to defray any staff time required to process their request.

CITY MANAGER'S REPORT **Page 5**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 3999 VILLAGE "BB" TOTALING 89 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

ATTACHMENTS:

- A. Resolution Approving Final Map for Tract 3999 Village "BB" within the Lakeside East District, Totaling 89 Single-Family Lots, Subdivision Improvement Agreement with River Islands Development, LLC, Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue
- B. Village "BB" Vicinity Map
- C. Subdivision Improvement Agreement between the City of Lathrop and River Islands Development, LLC, a California limited liability company, for Tract 3999, Village "BB" (Includes Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue)
- D. Escrow Instructions for Final Map Tract 3999 Village "BB"

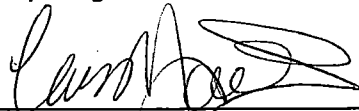
CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 3999 VILLAGE "BB" TOTALING 89 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

APPROVALS



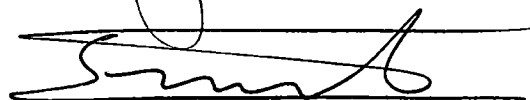
Glenn Gebhardt
City Engineer

11/8/18
Date



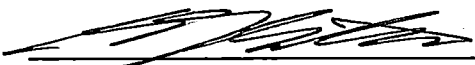
Cari James
Finance Director

11/14/18
Date



Salvador Navarrete
City Attorney

11-8-18
Date



Stephen J. Salvatore
City Manager

11-14-18
Date

RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING FINAL MAP FOR TRACT 3999 VILLAGE "BB" WITHIN THE LAKESIDE EAST DISTRICT, TOTALING 89 SINGLE-FAMILY LOTS, SUBDIVISION IMPROVEMENT AGREEMENT WITH RIVER ISLANDS DEVELOPMENT, LLC, IRREVOCABLE OFFER OF DEDICATION FOR PORTIONS OF GARDEN FARMS AVENUE, BOSCH AVENUE, AND OBERLIN AVENUE

WHEREAS, on March 27, 2007, the City Council approved Vesting Tentative Map No. 3694 (VTM 3694) with Conditions of Approval for a residential and commercial development that is consistent with the West Lathrop Specific Plan (WLSP) and the River Islands Urban Design Concept (UDC); and

WHEREAS, on June 1, 2015, the City Council approved amendments to the VTM, WLSP and UDC, with amended conditions of approval; and

WHEREAS, on August 25, 2016, the City Community Development Department approved a Finding of Substantial Conformance for VTM 3694 for the Stage 2A sub-planning area that allowed minor changes in the land use pattern for VTM 3694 and the approval final maps within Stage 2A; and

WHEREAS, Tract 3999, the proposed subdivision, is part of the Lakeside East District of River Islands as described in the UDC, consisting of 89 lots covered by VTM 3694, located on the west side of the San Joaquin River, north of Union Pacific Railroad; and

WHEREAS, in its review of Tract 3999, the Stewart Tract Design Review Committee recommended approval of Tract 3999 on November 13, 2018; and

WHEREAS, River Islands Development, LLC (RID), has completed or has guaranteed completion of all public improvements on Tract Map 3999, as identified on the approved improvement plans, and has completed or guaranteed completion of all required documents and payment of all fees; and

WHEREAS, a Subdivision Improvement Agreement between the City and RID, and provision of security by RID for unfinished improvements, are required prior to final map approval per the Lathrop Municipal Code Section 16.16.190; and

WHEREAS, a Subdivision Improvement Agreement has been signed by RID and presented to the City for approval and signature; and

WHEREAS, upon acceptance of all improvements as complete, a one-year maintenance and repair bond will be required to secure the RID obligation to maintain all improvements and repair or correct any defective work; and

WHEREAS, several conditions of approval of VTM 3694 are satisfied by the 3rd Amendment to the Development Agreement between the City and Califia, LLC, which the City Council approved on October 7, 2013; and

WHEREAS, off-site improvements necessary for access to Village BB and Tract 3999 were guaranteed with performance and labor and materials bonds posted by RID; and

WHEREAS, City staff has confirmed that all Conditions of Approval of VTM 3694 required for approval of Final Map 3999 have been met, including those Conditions of Approval satisfied under the Subdivision Improvement Agreement and Off-Site Agreement; and

WHEREAS, the City Engineer has confirmed that the Final Map for Tract 3999 is substantially the same as it appeared on VTM 3694, is technically correct, and complies with the requirements of the Subdivision Map Act and Lathrop Municipal Code, Chapter 16.16; and

WHEREAS, RID will satisfy the escrow requirements to fund the Settlement Fee prior to recordation of the Final Map for Tract 3999; and

WHEREAS, an Irrevocable Offer of Dedication (IOD) is necessary for portions of Garden Farms Avenue, Bosch Avenue and Oberlin Avenue to provide access to Village BB and Tract 3999, with the IOD included; and

WHEREAS, the CFDs (Villages U, V, T, AA, BB and Y) annexations for the City, RD 2062 and River Islands Public Financing Authority (RIPFA) respectively, and the recorded on November 2, 2018; and

WHEREAS, Capital Facilities Fees are not required until such time as the builder applies for building permits.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Lathrop approves the following actions:

1. That the Final Map for Tract 3999 Villages "BB" is hereby approved as submitted as part of the public record with the San Joaquin County Assessor/Recorder/County Clerk Office, the file executed copy will be filed with the City Clerk.
2. That the City Manager, or his designee, is authorized to execute and file with the City Clerk a Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue in substantially the form as attached to the November 19, 2018 staff report.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 19th day of November, 2018, by the following vote:

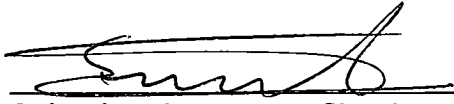
AYES:
NOES:
ABSTAIN:
ABSENT:

Sonny Dhaliwal, Mayor

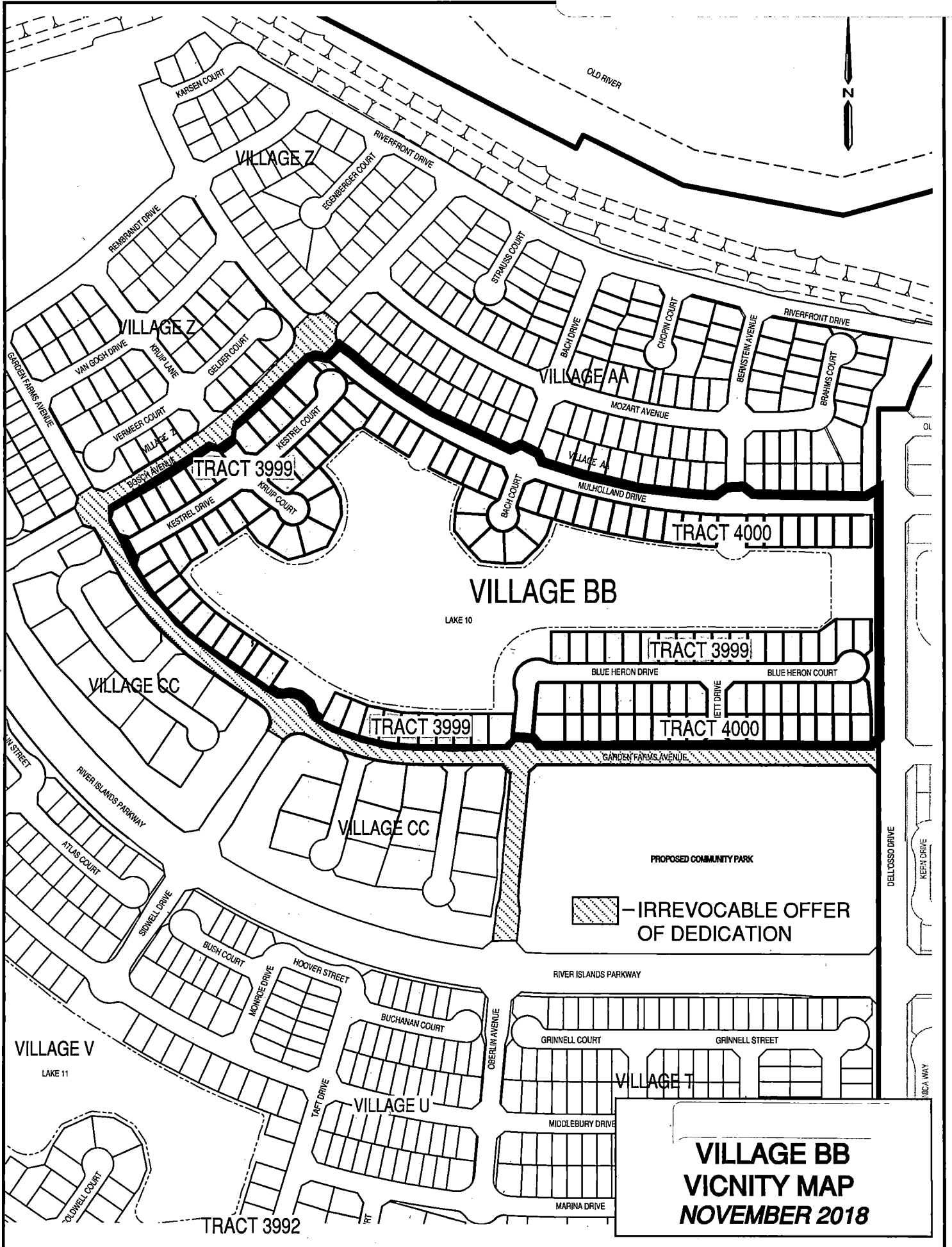
ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



**VILLAGE BB
VICINITY MAP
NOVEMBER 2018**

SUBDIVISION IMPROVEMENT AGREEMENT
BETWEEN THE CITY OF LATHROP AND
RIVER ISLANDS (LAKESIDE EAST DISTRICT) – TRACT 3999, VILLAGE “BB”
RIVER ISLANDS DEVELOPMENT, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

RECITALS

A. This Agreement is made and entered into this **19th day of November, 2018**, by and between the CITY OF LATHROP, a municipal corporation of the State of California (hereinafter “CITY”), and River Islands Development, LLC, a California limited liability company (hereinafter “SUBDIVIDER”).

B. At its meeting on May 15, 2017, CITY approved the temporary closure of Cohen and Paradise Roads associated with construction and grading activities in Stage 2 of River Islands. This approval requires SUBDIVIDER to construct a paved public roadway to connect any remaining gaps between the Paradise Road and Stewart Road intersection and the Somerston Parkway/River Islands Parkway intersection by August 1, 2020. As a result, previously provided security in the form of a Letter of Guarantee from the River Islands Public Financing Authority (“RIPFA”) has guaranteed the replacement of Cohen Road and Paradise Road with a set aside of bond proceeds (Exhibit G) in the amount of \$543,600, that is available to CITY if SUBDIVIDER does not meet the deadline of August 1, 2020. Further, the amount of set aside bond proceeds shall be reduced by the City Engineer as River Islands Parkway is extended to replace these removed roadways. The closed portion of Stewart Road is not anticipated to be replaced, but it remains for now as legal access to parcels fronting Stewart Road and as emergency access. The security referenced in this recital shall remain in place for this final map and all final maps associated with this access until it is no longer necessary.

C. At its meeting on July 9, 2018, CITY approved the Tract 3908 large lot final map which includes the Village BB area within Stage 2A of River Islands. The approval of Tract 3908 required security for the construction of River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary. As a result, previously provided security in the form of a Letter of Guarantee from the River Islands Public Financing Authority (“RIPFA”) has guaranteed the construction of River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary with a set aside of bond proceeds (Exhibit H) in the amount of \$450,000, that is available to CITY if SUBDIVIDER does not meet a September 30, 2019, deadline or as may be extended by CITY. The security referenced in this recital shall remain in place for this final map and all final maps associated with it until River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary is fully constructed and accepted into use by CITY.

D. Pursuant to Division 2 of Title 7 of the Government Code of the State of California and CITY's Subdivision Regulations (City of Lathrop, Code of Ordinances, Chapter 16), SUBDIVIDER is required to make dedications and improve Tract 3999. However, SUBDIVIDER has completed a significant portion of public infrastructure improvements associated with Tracts 3999 and Tract 4000 (Village "BB") located within the Lakeside East District of River Islands Phase 1, which also includes major streets necessary to access the site. The unfinished portion of improvements total \$1,340,761 (\$1,117,301 plus 20% contingency) and both performance and labor and materials security is required by the Lathrop Subdivision Ordinance and the Subdivision Map Act will be posted as outlined in this Tract 3999 (Village "BB") Subdivision Improvement Agreement.

E. SUBDIVIDER has completed a portion of the joint trench improvements for Tract 3999 and Tract 4000 and as noted in Recital D security shall be required for the unfinished portion of these improvements along with other required infrastructure associated with Tract 3999 and Village "BB" overall. Improvement plans and street light plans prepared by Power Systems Design, Inc., have already been approved by CITY. The street, sidewalk, underground utility, storm drainage, street light, and joint trench improvements (hereinafter "Improvements") are substantially completed and minor improvements not yet constructed as part of the required infrastructure for Tract 3999 and Tract 4000 are required security as outlined in this Agreement.

F. Access to Tract 3999 and Village "BB" requires an Irrevocable Offer of Dedication for Easement for Roadway Purposes ("IOD") for portions of Bosch Avenue, Garden Farms Avenue and Oberlin Avenue. Therefore, this IOD shall be required in addition to the dedications of right of way required with the approval of the final map for Tract 4001. This IOD is included Exhibit I to this Agreement.

NOW THEREFORE, in consideration of CITY's pending approval and acceptance of the Improvements upon their satisfactory completion, and in consideration of SUBDIVIDER's construction of Improvements in strict accordance with the terms of this Agreement, all applicable laws, statutes, ordinances, rules, and regulations currently in force and effect in CITY, the terms and conditions of which are incorporated herein by this reference, the parties hereto mutually covenant and agree as follows:

1. SUBDIVIDER shall complete construction of, or cause construction to be completed at its sole cost and expense, the Improvements for all of the lots within the Lakeside East neighborhood, to the limits identified on Exhibit A including the public landscaping, streetlight, and joint trench improvements. All improvements shall be constructed to the satisfaction and approval of the City Engineer, in a good and workmanlike manner in accordance with the above-referenced improvement plans and specifications, the improvement standards and specifications of CITY's Department of Public Works, the applicable Ordinances of the City of Lathrop, and the California Subdivision Map Act.

2. SUBDIVIDER shall complete the Improvements, including all deferred and unfinished improvements, prior to December 1, 2019.

3. CITY, or its agent(s), shall at any time during the progress of the Improvements have free access thereto and shall be allowed to examine the same and all material to be used therein. If the Improvements or any part thereof are not completed in strict compliance with the standards set forth in Paragraph 1 above, CITY may refuse to accept and may reject the defective Improvements and/or materials therein.

4. SUBDIVIDER shall secure the services of skilled personnel necessary to construct the Improvements. CITY is not skilled in these matters and relies upon the skill of SUBDIVIDER to ensure that the construction of the Improvements is in the most skillful and durable manner.

5. CITY's acceptance of the Improvements does not operate as a release of SUBDIVIDER from any guarantee hereunder.

6. SUBDIVIDER guarantees and warrants that the Improvements shall be constructed in compliance with the standards set forth in Paragraph 1 above, free from any defects in work or labor done and from any defects in materials furnished. Further, SUBDIVIDER shall repair and maintain the Improvements in good condition and in accordance with CITY specifications for one (1) year after CITY's acceptance of the Improvements. As required by this Agreement, prior to acceptance of the Improvements, SUBDIVIDER shall deposit with the City Engineer a Maintenance Bond in the amount of \$495,120 equal to 10% of the estimated cost of the Improvements for the Village "BB" entire area (\$4,951,201) as included in the Engineer's estimate attached to this Agreement as Exhibit F to insure SUBDIVIDER's repair and maintenance of the Improvements in accordance with the terms of this Agreement. The Maintenance Bond shall be released at the end of the one-year guarantee period provided no claims against it are then outstanding.

7. Because some of the backbone improvements referenced in Recitals B and C are required to provide access and to Tract 3999 and are associated with adjacent tracts as otherwise described in this Agreement, as well as the "Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements ("2013 Agreement"), approved by CITY on September 30, 2013, the security required by the 2013 Agreement shall remain in place for the following:

Rehabilitation of the pavement on Stewart/Cohen and Paradise Roads within the limits of Stewart Tract, as detailed on the attached Exhibit "D" are now open to the public, and rehabilitation is guaranteed by a performance bond. Full improvement and acceptance of these streets shall be completed prior to release of security previously posted by SUBDIVIDER.

8. If SUBDIVIDER, in whole or in part, abandons the Improvements, unnecessarily, or unreasonably delays construction of the Improvements, fails to complete construction of the Improvements within the time specified in this Agreement, or fails to repair, replace, or reconstruct any defects, as set forth in Paragraph 6 above, CITY may, but is not required to, proceed to complete and/or repair, replace, or reconstruct the Improvements, either by itself or by contract for such service, and CITY may cause to be forfeited such portion of any security deposited therein as is necessary to cover the costs of completion, repair, replacement, or reconstruction incurred by CITY. Once action is taken by CITY to complete, repair, replace, and/or reconstruct the Improvements, SUBDIVIDER shall be responsible for all costs incurred by CITY, even if SUBDIVIDER subsequently completes the work.

CITY shall have recourse against SUBDIVIDER for any and all amounts necessary to complete the obligations of SUBDIVIDER in the event the security (including but not limited to any Letter of Guarantee, Certificate of Deposit, cash, bond for performance, labor and materials and repair and maintenance, letter of credit or cash deposit) therefore is insufficient to pay such amounts. All administrative costs, including reasonable attorney's fees pursuant to Government Code Section 66499.4, incurred by CITY in addition to the costs of the improvements shall be a proper charge against the security and SUBDIVIDER. In the event it becomes necessary for CITY to bring an action to compel performance of this Agreement or to recover costs of completing such improvements, SUBDIVIDER shall pay reasonable attorney's fees, costs of suit, and all other expenses of litigation incurred by CITY in connection therewith.

9. Because the Improvements are not entirely complete, SUBDIVIDER is required to only post Performance or Labor & Materials bonds to guarantee the unfinished improvements associated with Tract 3999 and Tract 4000 as included and described in Exhibit E of this Agreement. The amount of the security shall be equal to a performance bond equal to 120% of the amount of unfinished improvements as shown in Exhibit E ($\$1,117,301 \times 120\% = \$1,340,761$ – performance bond amount) as indicated in Recital D. The corresponding labor and materials bond amount shall be 50% of the performance bond amount ($\$1,340,761 \times 50\% = \$670,381$), also as indicated in Recital D. Further, SUBDIVIDER shall also comply with CITY's insurance requirements set forth on Exhibit C attached hereto and incorporated herein.

10. Any alteration(s) made to the plans and specifications which are a part of this Agreement or any provision of this Agreement shall not operate to release any surety or sureties from liability on any bond or bonds attached hereto and made a part thereof. The above-referenced sureties hereby consent to such alterations and waive the provisions of California Civil Code Section 2819.

11. Neither CITY nor any of its officers, employees, or agents shall be liable to SUBDIVIDER, and/or SUBDIVIDER's agents, contractors, or subcontractors for any error or omission arising out of or in connection with any work to be performed under this Agreement.

12. Neither CITY nor any of its officers, employees, or agents shall be liable to SUBDIVIDER or to any person, entity, or organization for any injury or damage that may result to any person or property by or from any cause in, on, or about the subdivision of all or any part of the land covered by this Agreement.

13. SUBDIVIDER hereby agrees to, and shall hold CITY, its elective and appointive boards, commissions, officers, agents, and employees (collectively "Indemnitees") harmless from any liability for damage or claims which may arise from SUBDIVIDER and/or SUBDIVIDER's contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by SUBDIVIDER or by any SUBDIVIDER contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, SUBDIVIDER or any of SUBDIVIDER's contractors or subcontractors. SUBDIVIDER shall, at its own cost and expense, defend any and all actions, suits, or legal proceedings or any type that may be brought or instituted against CITY and indemnities on any claim or demand, of any nature whatsoever, and pay or satisfy any judgment that may be rendered against CITY and the Indemnitees in any such action, suit, or legal proceedings resulting from or alleged to have resulted from SUBDIVIDER's performance or non-performance of its duties and obligations under this Agreement or from the negligent act or omission of itself, its agents, contractors, representatives, servants, or employees. The promises and Agreement to indemnify and hold harmless set forth in this section is not conditioned or dependent on whether or not any indemnity has prepared, supplied, or approved any plan or specification in connection with this work or subdivision, whether or not any such indemnity has insurance or indemnification covering any of these matters. CITY does not and shall not waive any rights against SUBDIVIDER which it may have by reason of the aforesaid hold harmless agreement because of the acceptance by CITY of any deposit with CITY by SUBDIVIDER. The aforesaid hold harmless agreement by SUBDIVIDER shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph, regardless of whether or not CITY has prepared, supplied, or approved of plans and/or specifications for the subdivision.

14. Neither SUBDIVIDER nor any of SUBDIVIDER's agents, contractors, or subcontractors are, or shall be, considered to be agents of CITY in connection with the performance of SUBDIVIDER's obligations under this Agreement.

15. Prior to acceptance of the Improvements by the City Council, SUBDIVIDER shall be solely responsible for maintaining the quality of the Improvements and maintaining safety at the project site. SUBDIVIDER's obligation to provide the Improvements shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied, all outstanding fees and charges have been paid, and the City Council has accepted the Improvements as complete. CITY and SUBDIVIDER have formed Community Facilities Districts (CFDs) to finance maintenance and improvements. CITY expects to preserve the ability to use future special taxes of the CFD for payment of the cost of acquisition of the Improvements, which may require that acceptance of improvements by CITY be subject to the provisions of an acquisition agreement to be entered into by CITY and SUBDIVIDER providing that CITY expects to be paid or reimbursed acquisition costs through future CFD special taxes. SUBDIVIDER shall cooperate to facilitate such method of acquisition.

16. SUBDIVIDER shall pay service fees for the utility services from the time the Improvements are accepted by CITY to the end of the fiscal year, or up to a one (1) year period, whichever is needed to ensure an opportunity for the Improvements to be included in the next fiscal year annual assessment.

17. SUBDIVIDER shall be responsible to sweep streets within the subdivision every two weeks as directed by the City Engineer on all streets where lots are occupied and all streets providing access to occupied lots until the Improvements are accepted by CITY.

18. SUBDIVIDER shall not assign this Agreement without the prior written consent of CITY. If such consent is given, the terms of this Agreement shall apply to and bind the heirs, successors, executors, administrators, and assignees of SUBDIVIDER; and any heirs, successors, executors, administrators, and assignees of SUBDIVIDER and shall be jointly and severally liable hereunder.

19. SUBDIVIDER shall, at SUBDIVIDER's expense, obtain and maintain all necessary permits and licenses for construction of the Improvements. Prior to the commencement of Improvement construction, SUBDIVIDER shall obtain a City of Lathrop Business License. SUBDIVIDER shall comply with all local, state, and federal laws whether or not said laws are expressly stated in this Agreement.

20. This Agreement and any amendments hereto comprise the entire understanding and agreement between the parties regarding the improvements to be constructed and dedications for Tract 3999 and Tract 4000.

21. The following miscellaneous provisions are applicable to this Agreement:

a. Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.

b. Definitions. The definitions and terms are as defined in this Agreement.

c. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement which directly results from an Act of God or an act of a superior governmental authority.

d. Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

e. Incorporation of Documents. All documents referred to herein and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated herein and shall be deemed to be part of this Agreement.

f. Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.

g. Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.

h. Successors and Assigns. Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.

i. Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any day observed as a legal holiday by CITY, the time for performance shall be extended to the following business day.

j. Venue. In the event either party brings that suit hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin.

ATTACHMENTS:

- EXHIBIT A FINAL MAP - TRACT 3999
 - EXHIBIT B TRACT 3999 AND VILLAGE "BB" AREA
 - EXHIBIT C: CITY INSURANCE REQUIREMENTS
 - EXHIBIT D: COHEN/PARADISE/STEWART REHABILITATION MAP
 - EXHIBIT E: UNFINISHED IMPROVEMENT COST ESTIMATE
 - EXHIBIT F: VILLAGE "BB" IMPROVEMENTS ENGINEER'S ESTIMATE
 - EXHIBIT G: RIPFA LETTER OF GUARANTEE - INTERIM PUBLIC ACCESS WITHIN THE STAGE 2A DEVELOPMENT AREA
 - EXHIBIT H: RIPFA LETTER OF GUARANTEE - RIVER ISLANDS PARKWAY WITHIN THE STAGE 2A DEVELOPMENT AREA
 - EXHIBIT I: IRREVOCABLE OFFER OF DEDICATION FOR BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE
 - EXHIBIT J: UTILITY CAPACITY GUARANTEES
-

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 19th day of November, 2018, at Lathrop, California.

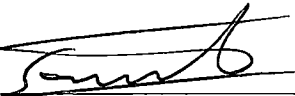
ATTEST: TERESA VARGAS
City Clerk of and for the City
of Lathrop, State of California

CITY OF LATHROP, a
municipal corporation of the
State of California

BY: _____
Teresa Vargas Date
City Clerk

BY: _____
Stephen J. Salvatore Date
City Manager

APPROVED AS TO FORM

BY:  _____ 11-8-18
Salvador Navarrete Date
City Attorney

River Islands Development, LLC
a California limited liability company

BY: _____
Susan Dell'Osso Date
President
"SUBDIVIDER"

EXHIBIT A

FINAL MAP - TRACT 3999

OWNER'S STATEMENT

THE UNDERSIGNED DOES HEREBY STATE THAT THEY ARE THE OWNERS OF ALL THE LAND DELINEATED AND EMBRACED WITHIN THE EXTERIOR BOUNDARY LINE OF THE HEREIN EMBODIED FINAL MAP ENTITLED, "TRACT 3999, RIVER ISLANDS, STAGE 2A, VILLAGE BB", CITY OF LATHROP, CALIFORNIA, CONSISTING OF SEVENTEEN (17) SHEETS, AND WE HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS FINAL MAP IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, CALIFORNIA.

THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE CITY OF LATHROP FOR PUBLIC RIGHT-OF-WAY PURPOSES, THOSE PORTIONS OF SAID LANDS DESIGNATED ON SAID MAP AS MULHOLLAND DRIVE, OBERLIN AVENUE, GANNETT DRIVE, BACH COURT, BLUE HERON DRIVE, BLUE HERON COURT, KESTREL DRIVE, KESTREL COURT, KRUIP LANE, AND KRUIP COURT, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, POLES, WIRES, CABLES, PIPES, AND CONDUITS AND THEIR APPURTENANCES UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "P.U.E." (PUBLIC UTILITY EASEMENT).

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, STORM DRAIN FACILITIES AND THEIR APPURTENANCES, UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "STORM DRAIN EASEMENT".

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS A THROUGH F FOR PARK PURPOSES, FENCE MAINTENANCE, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS G AND H FOR LANDSCAPING PURPOSES AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS J AND K FOR PURPOSES OF OPEN SPACE, INCLUDING PUBLIC UTILITIES, FENCE MAINTENANCE, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCEL L FOR PURPOSES OF OPEN SPACE, INCLUDING PUBLIC UTILITIES, STORM DRAIN FACILITIES, FENCE MAINTENANCE, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RELINQUISH TO THE CITY OF LATHROP ALL ADJUTERS RIGHT OF ACCESS TO LOTS 6, 12, 13, 18, 24, 30, 35, 54, 63, AND 64, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL // AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RESERVE PARCEL I FOR LAKE PURPOSES, AS SHOWN ON THIS FINAL MAP. SAID PARCEL IS NOT DEDICATED HEREON, BUT WILL BE CONVEYED TO ISLAND RECLAMATION DISTRICT NO. 2062 BY SEPARATE DOCUMENT SUBSEQUENT TO THE FILING OF THIS FINAL MAP. SAID PARCEL WILL BE SUBJECT TO A SLOPE EASEMENT AND SHARED DOCK ACCESS FOR THE BENEFIT OF ADJACENT LAKE FRONT LOTS, TO BE CONVEYED BY SEPARATE DOCUMENT SUBSEQUENT TO THE FILING THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RESERVE THE NON-EXCLUSIVE "LAKE FILL PIPELINE EASEMENT" AND THE "LAKE CIRCULATION PIPELINE EASEMENTS", TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, THE LAKE FILL PIPELINE AND LAKE CIRCULATION PIPELINE AND THEIR APPURTENANCES, UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "LAKE FILL PIPELINE EASEMENT" AND "LAKE CIRCULATION PIPELINE EASEMENT". THESE EASEMENTS ARE NOT DEDICATED HEREON, BUT WILL BE CONVEYED TO ISLAND RECLAMATION DISTRICT NO. 2062 BY SEPARATE INSTRUMENT SUBSEQUENT TO THE FILING OF THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RESERVE PARCELS 1 THROUGH 6 FOR FUTURE DEVELOPMENT.

OWNER: RIVER ISLANDS DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

BY: _____
 NAME: SUSAN DELL'OSSO DATE _____
 ITS: PRESIDENT

DATED THIS _____ DAY OF _____, 201__

OLD REPUBLIC TITLE COMPANY, AS TRUSTEE, UNDER THE DEED OF TRUST RECORDED DECEMBER 22, 2016, AS DOCUMENT NUMBER 2016-160886, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

BY: _____
 NAME: _____
 ITS: _____

SECRETARY OF THE PLANNING COMMISSION'S STATEMENT

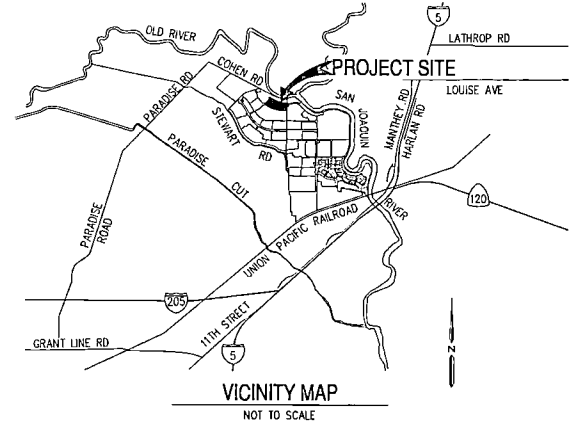
THIS MAP CONFORMS TO TENTATIVE MAP NO. 3694 APPROVED BY THE PLANNING COMMISSION.

DATED THIS _____ DAY OF _____, 201__

MARK WEISSNER, COMMUNITY DEVELOPMENT DIRECTOR
 CITY OF LATHROP

**TRACT 3999
 RIVER ISLANDS - STAGE 2A
 VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
 OCTOBER 2018



ACKNOWLEDGEMENT CERTIFICATE (OWNER'S)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA
 COUNTY OF SAN JOAQUIN }

ON _____, 201__ BEFORE ME, _____
 A NOTARY PUBLIC, PERSONALLY APPEARED, _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: _____
 NAME (PRINT): _____
 PRINCIPAL COUNTY OF BUSINESS: _____
 MY COMMISSION NUMBER: _____
 MY COMMISSION EXPIRES: _____

ACKNOWLEDGEMENT CERTIFICATE (TRUSTEE)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA
 COUNTY OF SAN JOAQUIN }

ON _____, 201__ BEFORE ME, _____
 A NOTARY PUBLIC, PERSONALLY APPEARED, _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: _____
 NAME (PRINT): _____
 PRINCIPAL COUNTY OF BUSINESS: _____
 MY COMMISSION NUMBER: _____
 MY COMMISSION EXPIRES: _____

CITY CLERK'S STATEMENT

I, TERESA VARGAS, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, STATE OF CALIFORNIA, DO HEREBY STATE THAT THE HEREIN EMBODIED MAP ENTITLED "TRACT 3999, RIVER ISLANDS, STAGE 2A, VILLAGE BB", CITY OF LATHROP, CALIFORNIA, CONSISTING OF SEVENTEEN (17) SHEETS, THIS STATEMENT WAS PRESENTED TO SAID CITY COUNCIL, AS PROVIDED BY LAW, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201__, AND THAT SAID CITY COUNCIL DID THEREUPON BY RESOLUTION NO. _____ DULY PASSED AND ADOPTED AT SAID MEETING, APPROVE SAID MAP, AND AUTHORIZED ITS RECORDATION, AND ACCEPTED ON BEHALF OF THE CITY OF LATHROP, FOR PUBLIC USE, THE DEDICATION OF ALL PUBLIC UTILITY EASEMENTS, PARCELS A THROUGH H, J, K, AND L, AND THE RELINQUISHMENT OF ACCESS RIGHTS TO LOTS 6, 12, 13, 18, 24, 30, 35, 54, 63, AND 64, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL //; AND REJECTED THE OFFER OF DEDICATION OF THE PUBLIC UTILITY EASEMENTS ACROSS PARCELS A THROUGH H, WITH A RESERVATION OF THE RIGHT TO ACCEPT THE DEDICATION OF THE PUBLIC UTILITY EASEMENTS ACROSS PARCELS A THROUGH H AT A FUTURE DATE; AND REJECTED THE OFFER OF DEDICATION OF THE STORM DRAIN EASEMENT ACROSS PARCELS B, D, E, AND F, WITH A RESERVATION OF THE RIGHT TO ACCEPT THE DEDICATION OF THE STORM DRAIN EASEMENT ACROSS PARCELS B, D, E, AND F, AT A FUTURE DATE; AND ACCEPTED THE OFFER OF DEDICATION OF ALL STREETS, AVENUES, AND WAYS AS SHOWN ON SAID MAP SUBJECT TO THE IMPROVEMENTS BEING COMPLETED IN ACCORDANCE WITH CHAPTER 16, TITLE 16.16 OF THE CITY OF LATHROP MUNICIPAL CODE.

I FURTHER STATE THAT ALL BONDS AS REQUIRED BY LAW TO ACCOMPANY THE WITHIN MAP, IF APPLICABLE, HAVE BEEN APPROVED BY THE CITY COUNCIL OF LATHROP AND FILED IN MY OFFICE.

TERESA VARGAS
 CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 201__, AT _____ M.
 IN BOOK _____ OF MAPS AND PLATS, AT PAGE _____, AT THE REQUEST OF OLD REPUBLIC TITLE COMPANY.

FEES: \$ _____

BY: _____ ASSISTANT/DEPUTY RECORDER
 STEVE BESTOLARIDES
 ASSESSOR-RECORDER-COUNTY CLERK
 SAN JOAQUIN COUNTY, CALIFORNIA

EXEMPT FROM FEE PER GOVERNMENT CODE 27386.1; DOCUMENT RECORDED IN CONNECTION WITH A CONCURRENT TRANSFER SUBJECT TO THE IMPOSITION OF DOCUMENTARY TRANSFER TAX

TRACT 3999

RIVER ISLANDS - STAGE 2A VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



CITY ENGINEER'S STATEMENT

I, GLENN GEBHARDT, HEREBY STATE THAT I AM THE CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA AND THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 3999, RIVER ISLANDS, STAGE 2A, VILLAGE BB", CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE VESTING TENTATIVE MAP NO. 3694, AND ANY APPROVED ALTERATIONS THEREOF. I FURTHER STATE THAT THIS FINAL MAP COMPLIES WITH ALL APPLICABLE ORDINANCES OF THE CITY OF LATHROP, AND ANY AMENDMENTS THERETO, APPLICABLE AT THE TIME OF APPROVAL OF VESTING TENTATIVE MAP.

DATED THIS _____ DAY OF _____, 201__.

GLENN GEBHARDT, R.C.E. 34681
CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA



CITY SURVEYOR'S STATEMENT

I, LAWRENCE GOSSETT, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 3999, RIVER ISLANDS, STAGE 2A, VILLAGE BB", CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON COMPLIES WITH ALL THE PROVISIONS OF CHAPTER 2 OF THE CALIFORNIA SUBDIVISION MAP ACT, AS AMENDED, AND THAT THIS FINAL MAP IS TECHNICALLY CORRECT.

DATED THIS _____ DAY OF _____, 201__.

LAWRENCE GOSSETT, P.E. 31695



SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF RIVER ISLANDS DEVELOPMENT, LLC, ON JUNE 25, 2018. I HEREBY STATE ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 31, 2023, AND THAT THE MONUMENTS ARE, OR THAT THEY WILL BE, SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATED THIS _____ DAY OF _____, 201__.

DYLAN CRAWFORD, P.L.S. NO 7788



REFERENCES

- (R1) RECORD OF SURVEY FILED AUGUST 4, 2004, IN BOOK 35 OF SURVEYS, PAGE 142, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED JULY 15, 2005 AS DOCUMENT NUMBER 2005-171264, S.J.C.R. (35 SURVEYS 142)
- (R2) TRACT 3876, FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 56, S.J.C.R. (42 M&P 56)
- (R3) GRANT DEED RECORDED MARCH 30, 2001, AS DOCUMENT NUMBER 2001-046177, S.J.C.R.
- (R4) GRANT DEED RECORDED JANUARY 11, 2016, AS DOCUMENT NUMBER 2016-004077, S.J.C.R.
- (R5) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-063962, S.J.C.R.
- (R6) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-064006, S.J.C.R.
- (R7) GRANT DEED RECORDED JUNE 6, 2005, AS DOCUMENT NUMBER 2005-134736, S.J.C.R.
- (R8) TRACT 3826, FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 67, S.J.C.R. (42 M&P 67)
- (R9) TRACT 3828, FILED AUGUST 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 65, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED AUGUST 31, 2016, AS DOCUMENT NUMBER 2016-102979, S.J.C.R. (42 M&P 65)
- (R10) TRACT 3832, FILED AUGUST 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 66, S.J.C.R. (42 M&P 66)
- (R11) TRACT 3834, FILED DECEMBER 21, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 72, S.J.C.R. (42 M&P 72)
- (R12) UNFILED MAP ENTITLED "CALIFORNIA IRRIGATED FARMS, UNIT NO. 3 PESCADERO COLONY BEING RECLAMATION DISTRICT NO. 2062, SURVEYED APRIL AND MAY 1929 BY OHM AND RAAB, DATED NOVEMBER 7, 1929, FILED IN THE OFFICE OF THE SAN JOAQUIN COUNTY SURVEYOR.
- (R13) PARCEL MAP 06-03-PM, FILED OCTOBER 23, 2006, IN BOOK 24 OF PARCEL MAPS, PAGE 51, S.J.C.R. (24 PM 51)
- (R14) TRACT 3836, FILED MARCH 15, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 84, S.J.C.R. (42 M&P 84)
- (R15) TRACT 3893, FILED JUNE 1, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 86, S.J.C.R. (42 M&P 86)
- (R16) TRACT 3895, FILED JUNE 20, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 89, S.J.C.R. (42 M&P 89)
- (R17) TRACT 3838, FILED NOVEMBER 30, 2017, IN BOOK 43 OF MAPS AND PLATS, PAGE 12, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED OCTOBER 16, 2018, AS DOCUMENT NUMBER 2018-114854, S.J.C.R. (43 M&P 12)
- (R18) TRACT 3875, FILED SEPTEMBER 22, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 100, S.J.C.R. (42 M&P 100)
- (R19) TRACT 3831, FILED JANUARY 23, 2018, IN BOOK 43 OF MAPS AND PLATS, PAGE 16, S.J.C.R. (43 M&P 16)
- (R20) TRACT 3912, FILED FEBRUARY 7, 2018, IN BOOK 43 OF MAPS AND PLATS, PAGE 19, S.J.C.R. (43 M&P 19)
- (R21) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-063963, S.J.C.R.
- (R22) TRACT 3908, RIVER ISLANDS, STAGE 2A, LARGE LOT FINAL MAP, FILED SEPTEMBER 20, 2018, IN BOOK 43 OF MAP AND PLATS, PAGE 52, S.J.C.R. (43 M&P 52)

NOTES

1. RIGHT TO FARM STATEMENT:
PER CITY OF LATHROP MUNICIPAL CODE OF ORDINANCES, TITLE 15, CHAPTER 15.48.04, THE CITY OF LATHROP PERMITS OPERATION OF PROPERLY CONDUCTED AGRICULTURAL OPERATIONS WITHIN THE CITY LIMITS, INCLUDING THOSE THAT UTILIZE CHEMICAL FERTILIZERS AND PESTICIDES. YOU ARE HEREBY NOTIFIED THAT THE PROPERTY YOU ARE PURCHASING MAY BE LOCATED CLOSE TO AGRICULTURAL LANDS AND OPERATIONS. YOU MAY BE SUBJECT TO INCONVENIENCE OR DISCOMFORT ARISING FROM THE LAWFUL AND PROPER USE OF AGRICULTURAL CHEMICALS AND PESTICIDES AND FROM OTHER AGRICULTURAL ACTIVITIES, INCLUDING WITHOUT LIMITATIONS, CULTIVATION, PLOWING, SPRAYING, IRRIGATION, PRUNING, HARVESTING, BURNING OF AGRICULTURAL WASTE PRODUCTS, PROTECTION OF CROPS AND ANIMALS FROM DEPRECIATION, AND OTHER ACTIVITIES WHICH MAY GENERATE DUST, SMOKE, NOISE, ODOR, RODENTS AND PESTS. BE AWARE ALSO, THAT THIS PROPERTY MAY BE LOCATED ADJACENT TO AGRICULTURAL OPERATIONS OUTSIDE THE CITY'S JURISDICTION. CONSEQUENTLY, DEPENDING ON THE LOCATION OF YOUR PROPERTY, IT MAY BE NECESSARY THAT YOU BE PREPARED TO ACCEPT SUCH INCONVENIENCES OR DISCOMFORT AS NORMAL AND NECESSARY ASPECT OF LIVING IN AN AGRICULTURALLY ACTIVE REGION.
2. A SOILS REPORT ENTITLED "GEOTECHNICAL EXPLORATION, RIVER ISLANDS PHASE 1, LATHROP, CALIFORNIA", REFERENCED AS PROJECT NO. 5044.S.001.01 AND DATED JULY 29, 2005, HAS BEEN PREPARED FOR THIS PROJECT BY ENGEO, INCORPORATED, JOSEF J. TOOTLE, G.E. NO. 2677, AND IS ON FILE WITH THE CITY OF LATHROP.
3. TRACT 3999, RIVER ISLANDS, STAGE 2A, VILLAGE BB, CONTAINS 89 RESIDENTIAL LOTS, AND 12 LETTERED PARCELS CONTAINING 40.79 ACRES, MORE OR LESS, INCLUDING ROADWAYS THAT ARE BEING DEDICATED BY THIS FINAL MAP; AND PARCELS 1 THROUGH 6 CONTAINING 5.58 ACRES, MORE OR LESS, ALL AS SHOWN ON THIS FINAL MAP (PLEASE REFER TO THE AREA TABLE BELOW):

TRACT 3999 AREA SUMMARY	
LOTS 1 THROUGH 89	12.67 AC±
PARCELS A THROUGH L	21.24 AC±
PARCELS 1 THROUGH 6	5.58 AC±
STREET DEDICATIONS	6.88 AC±
TOTAL	46.37 AC±

4. BASED ON INFORMATION CONTAINED IN THE PRELIMINARY TITLE REPORT, ORDER NUMBER 1614020263-KB (VERSION 2), DATED SEPTEMBER 21, 2018, PROVIDED BY OLD REPUBLIC TITLE COMPANY.
5. OFFSITE ACCESS IS SHOWN ON THIS FINAL MAP AS BOSCH AVENUE (FUTURE) AND GARDEN FARMS AVENUE (FUTURE), AS SHOWN ON SHEETS 7 THROUGH 17, HEREIN; SAID OFFSITE ACCESS IS BEING CREATED BY SEPARATE DOCUMENT TO BE RECORDED CONCURRENTLY WITH THIS FINAL MAP.

SIGNATURE OMISSIONS

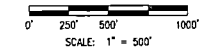
PURSUANT TO SECTION 65436 OF THE CALIFORNIA SUBDIVISION MAP ACT, THE SIGNATURES OF THE FOLLOWING PARTIES HAVE BEEN OMITTED:

1. RECLAIMED ISLANDS LAND COMPANY, RESERVATION FOR OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET, PER DOCUMENT NUMBER 2001-046177, S.J.C.R.

TRACT 3999 RIVER ISLANDS - STAGE 2A VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018

O'DELL
ENGINEERING



THIS SHEET SHOWS TIES TO THE BASIS OF BEARINGS
AND OTHER MAPS OF RECORD. REFER TO SHEET 4 FOR
THE BOUNDARY OF TRACT 3999

LEGEND (SHEETS 3 THROUGH 6 ONLY)

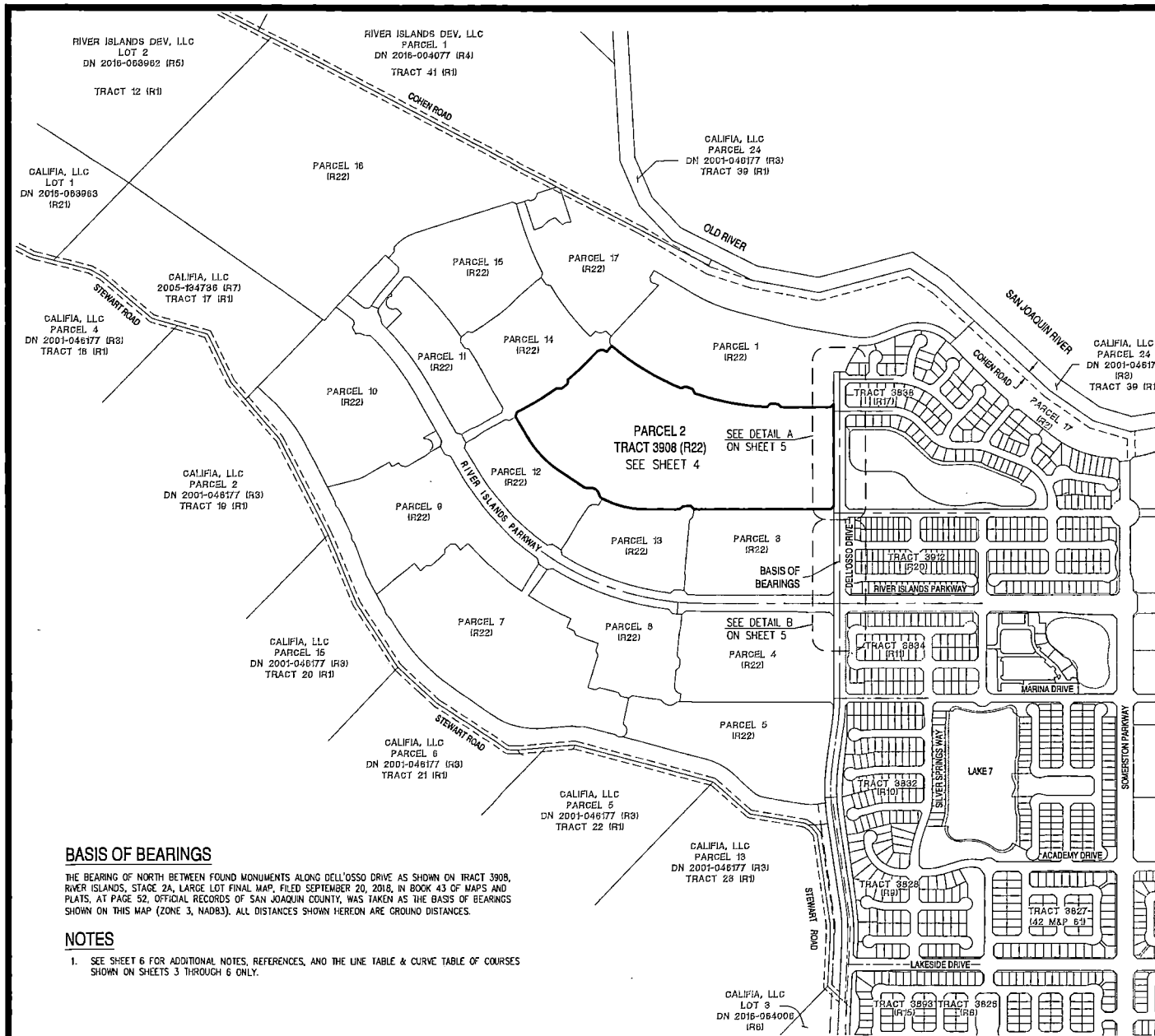
- MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE NOTED
- 3/4" IRON PIPE WITH CAP STAMPED "PLS 7798" PER (R17), UNLESS OTHERWISE NOTED
- MONUMENT TO BE SET PER TRACT 3834 (R11)
- 2-1/2" BRASS DISK TO BE SET PER (R17)
- BOUNDARY
- LOT LINE OR RIGHT-OF-WAY LINE
- EASEMENT LINE
- CENTERLINE
- 200.00' (R1)
- (R1)
- (M-CL INTX)
- (M-M)
- (R)
- (T)
- (B)
- (DN)
- (O.R.)
- (MON)
- (R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (M-M) MONUMENT TO MONUMENT
- (R) RADIAL BEARING
- (T) TOTAL
- (B) BOUNDARY
- (DN) DOCUMENT NUMBER
- (O.R.) OFFICIAL RECORD
- (MON) MONUMENT

BASIS OF BEARINGS

THE BEARING OF NORTH BETWEEN FOUND MONUMENTS ALONG DELL'OSSO DRIVE AS SHOWN ON TRACT 3908, RIVER ISLANDS, STAGE 2A, LARGE LOT FINAL MAP, FILED SEPTEMBER 20, 2018, IN BOOK 43 OF MAPS AND PLATS, AT PAGE 52, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, WAS TAKEN AS THE BASIS OF BEARINGS SHOWN ON THIS MAP (ZONE 3, NAD83). ALL DISTANCES SHOWN HEREON ARE GROUND DISTANCES.

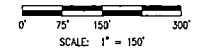
NOTES

- SEE SHEET 6 FOR ADDITIONAL NOTES, REFERENCES, AND THE LINE TABLE & CURVE TABLE OF COURSES SHOWN ON SHEETS 3 THROUGH 6 ONLY.



TRACT 3999 RIVER ISLANDS - STAGE 2A VILLAGE BB

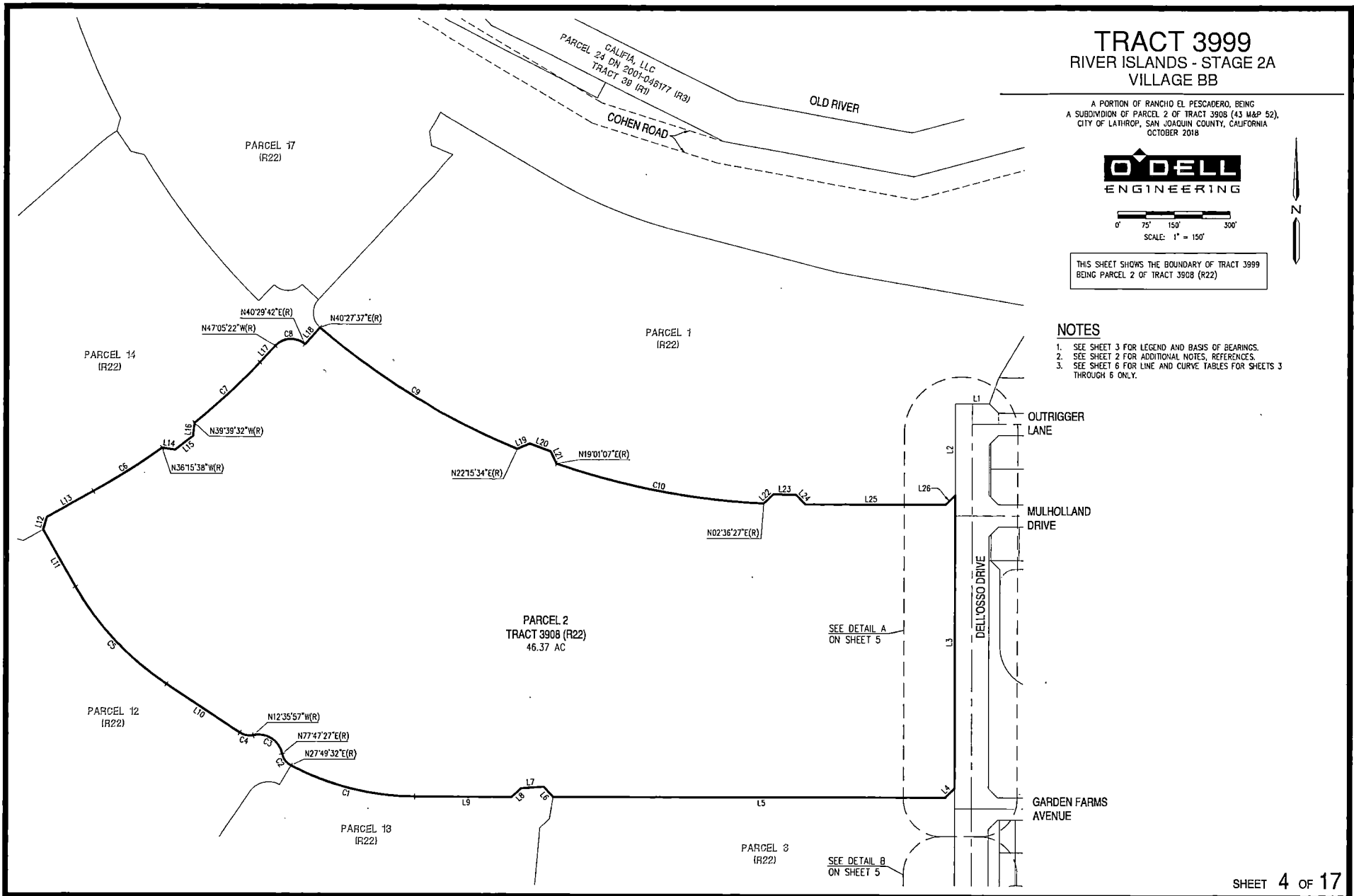
A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



THIS SHEET SHOWS THE BOUNDARY OF TRACT 3999
BEING PARCEL 2 OF TRACT 3908 (R22)

NOTES

1. SEE SHEET 3 FOR LEGEND AND BASIS OF BEARINGS.
2. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES.
3. SEE SHEET 6 FOR LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 6 ONLY.



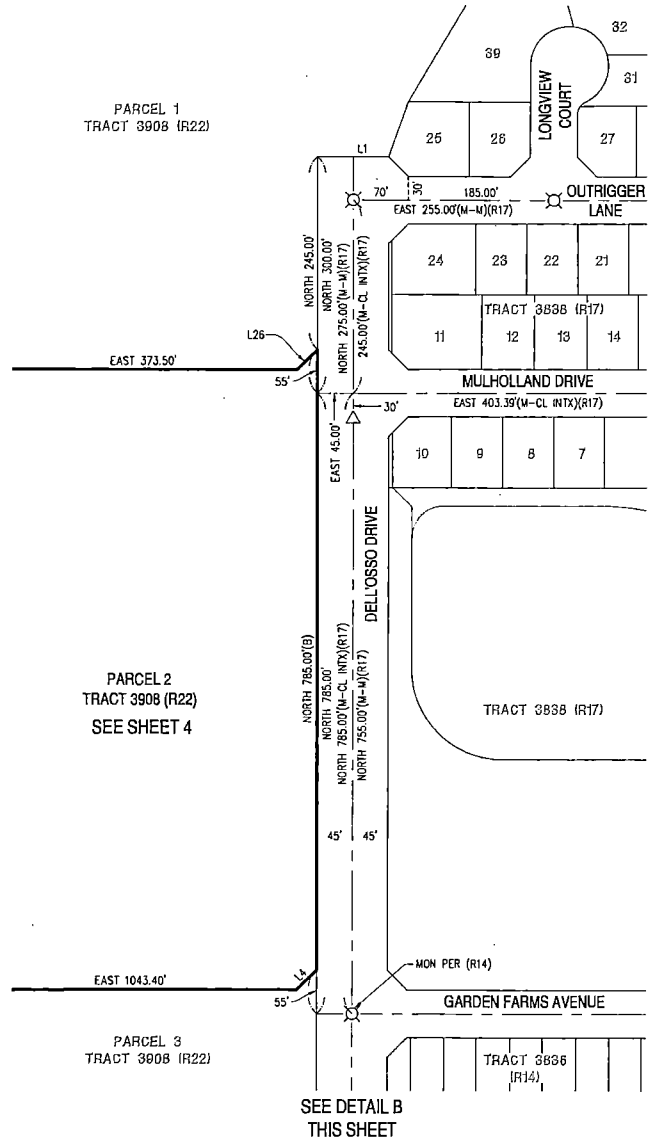
TRACT 3999 RIVER ISLANDS - STAGE 2A VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018

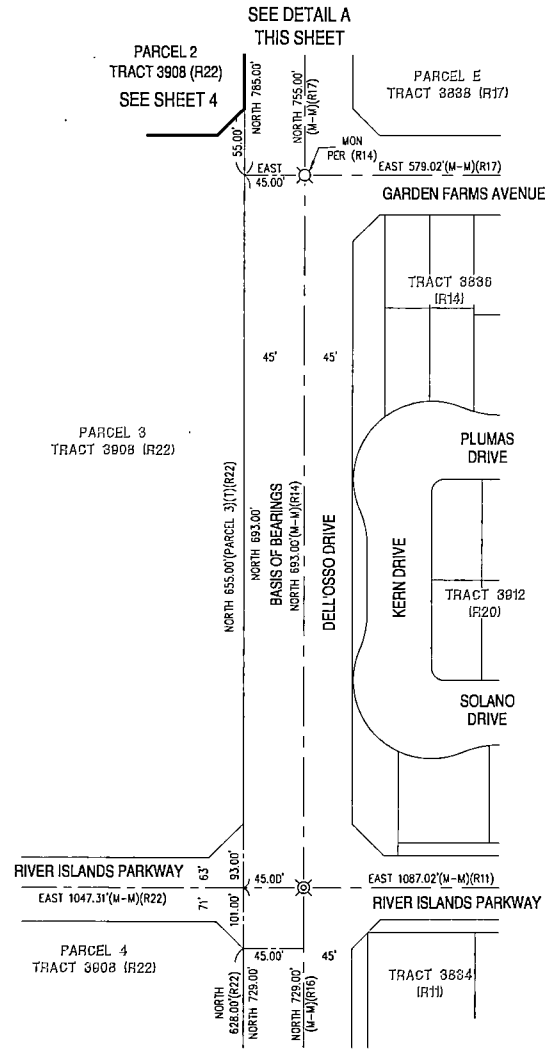


NOTES

1. SEE SHEET 3 FOR LEGEND AND BASIS OF BEARINGS.
2. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES.
3. SEE SHEET 6 FOR LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 6 ONLY.



DETAIL A
NOT TO SCALE
(FROM SHEET 3)



DETAIL B
NOT TO SCALE
(FROM SHEET 3)

TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



NOTES

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3. SEE SHEET 6 FOR LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 6 ONLY.

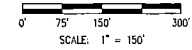
LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEETS 4 THROUGH 5 ONLY

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	EAST	90.00'
L2	NORTH	245.00'
L3	NORTH	785.00'
L4	N45°00'00"E	35.36'
L5	EAST	1043.40'
L6	N42°26'11"W	36.90'
L7	N85°47'09"E	60.81'
L8	N47°33'49"E	33.74'
L9	EAST	261.96'
L10	N56°01'54"W	233.44'
L11	N29°32'00"W	175.32'
L12	N15°28'00"E	35.36'
L13	N60°28'00"E	141.18'
L14	N82°06'37"W	34.83'
L15	N52°02'25"E	60.00'
L16	N6°11'27"E	34.83'
L17	N42°54'38"E	60.62'
L18	N41°38'18"E	60.01'
L19	N66°26'57"E	35.85'
L20	N69°21'40"W	60.00'
L21	N25°10'17"W	35.85'
L22	N46°47'50"E	35.85'
L23	N88°53'58"W	60.00'
L24	N44°30'23"W	35.66'
L25	EAST	373.50'
L26	N45°00'00"E	35.36'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	710.00	27°49'32"	344.81'
C2	47.00	49°57'55"	40.99'
C3	65.00	90°23'24"	102.54'
C4	47.00	46°34'03"	38.20'
C5	770.00	26°29'54"	356.11'
C6	1830.00	6°43'38"	214.86'
C7	1830.00	7°25'50"	237.33'
C8	58.00	87°35'04"	88.66'
C9	1970.00	18°12'03"	625.80'
C10	1970.00	16°24'40"	564.26'

TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB

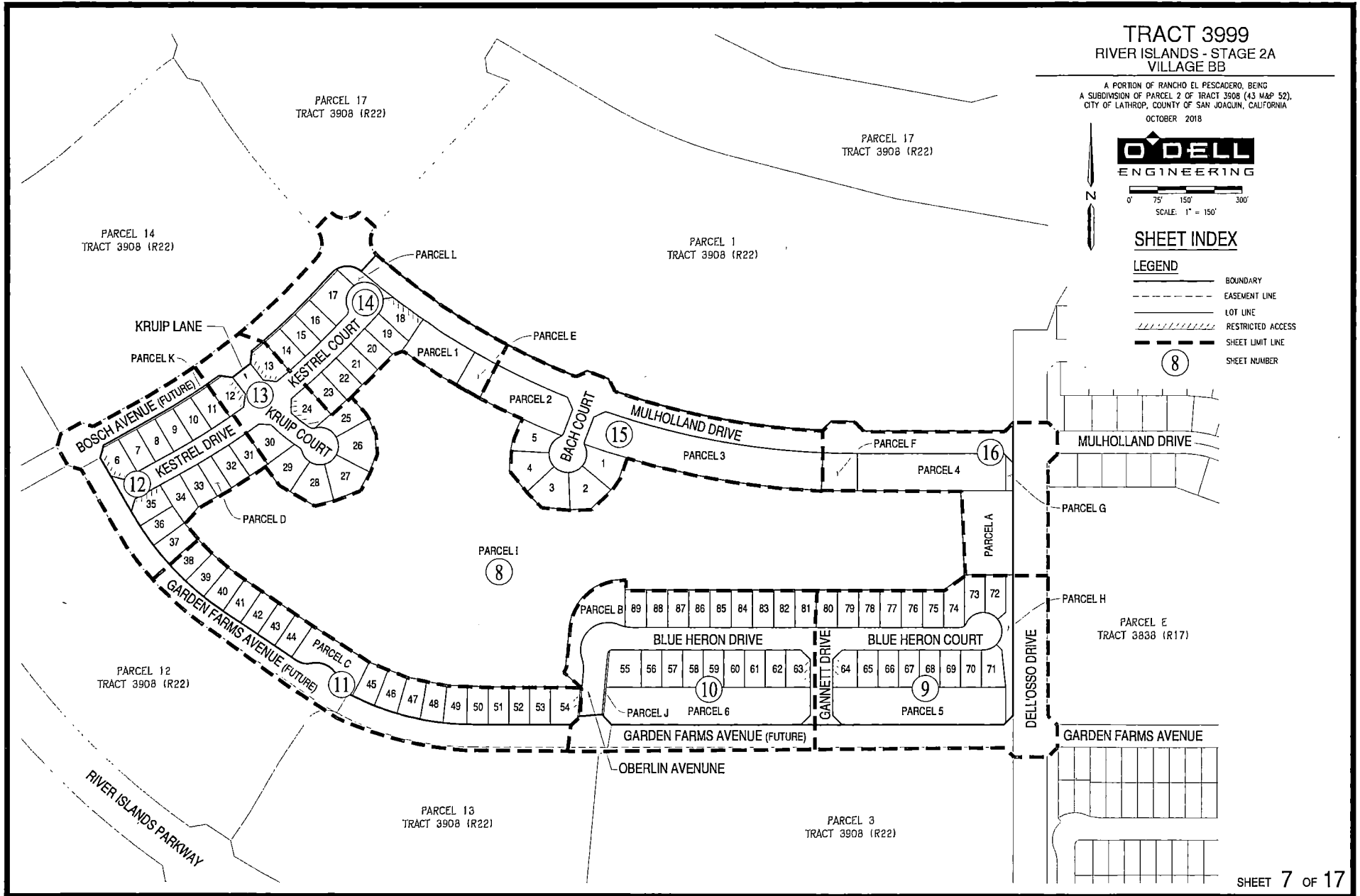
A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



SHEET INDEX

LEGEND

- BOUNDARY
- EASEMENT LINE
- LOT LINE
- RESTRICTED ACCESS
- SHEET LIMIT LINE
- SHEET NUMBER



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- SET 3.00" WITNESS CORNER (W.C.) UNLESS OTHERWISE NOTED, MEASURED ALONG LOT LINE, RADIAL LINE, OR PERPENDICULAR TO STREET CENTER LINE AS NOTED. 3/4" BY 24" IRON PIPE WITH PLASTIC CAP "PLS 7788"
- △ 2-1/2" BRASS DISK STAMPED "PLS 7788" TO BE SET PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1)- SEE REFERENCE LIST ON SHEET 2
- (M-W) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT
- S.D.E. STORM DRAIN EASEMENT

- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - - EASEMENT LINE
- CENTERLINE
- RESTRICTED ACCESS

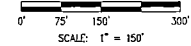
NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 17 FOR LINE AND CURVE TABLES.

THIS SHEET SHOWS
PARCEL I ONLY

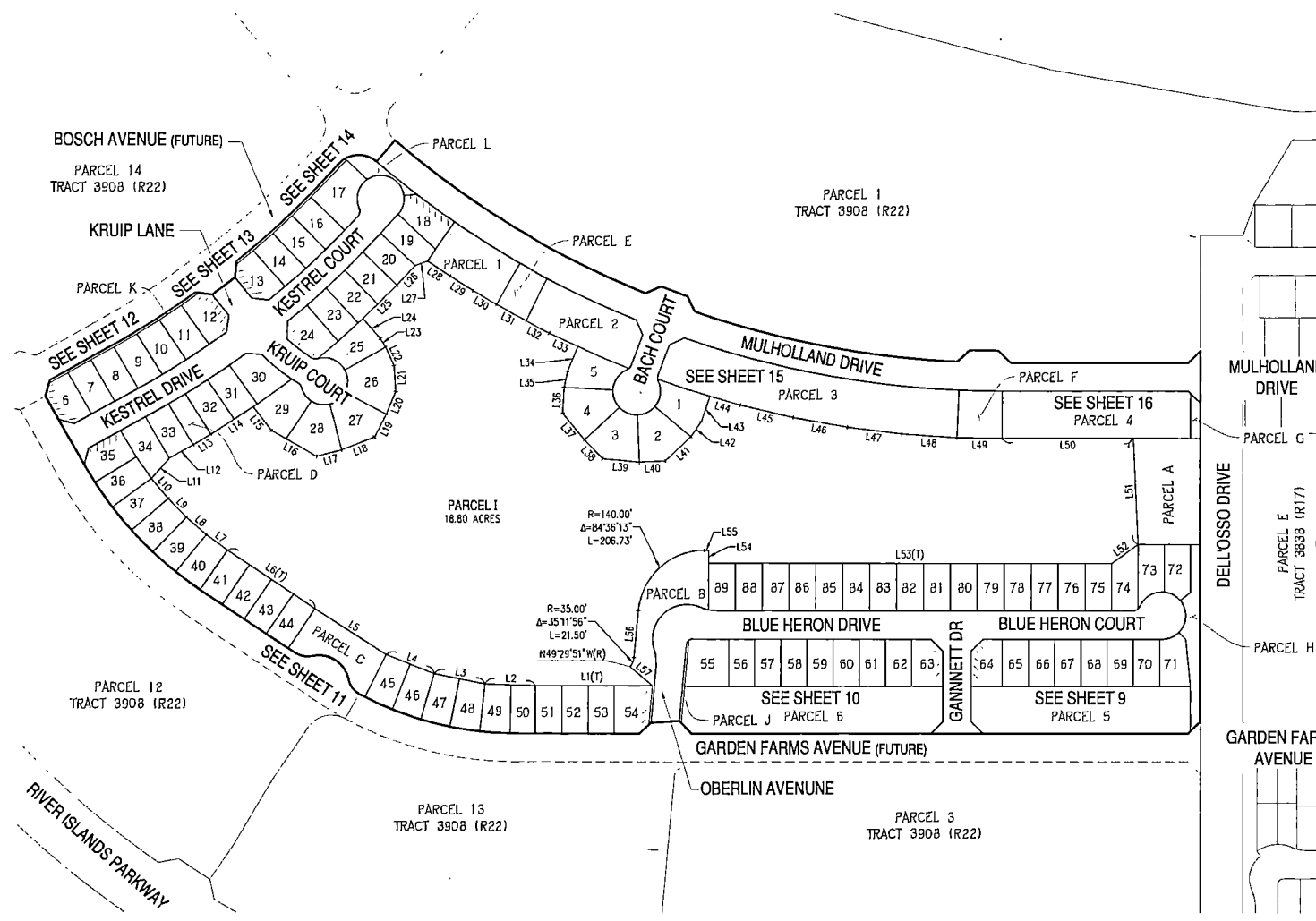
TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



LINE TABLES FOR COURSES SHOWN ON THIS SHEET ONLY

LINE TABLE			LINE TABLE		
LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH
L1	EAST	245.09'	L31	N61°03'34"W	71.64'
L2	N88°10'50"W	109.95'	L32	N62°47'55"W	57.74'
L3	N78°41'09"W	109.89'	L33	N85°07'38"W	66.42'
L4	N68°20'00"W	109.89'	L34	N22°46'07"E	57.06'
L5	N57°31'26"W	180.63'	L35	N11°29'17"E	34.56'
L6	N56°01'45"W	220.00'	L36	N3°08'07"E	55.00'
L7	N53°21'51"W	55.00'	L37	N39°11'42"W	72.67'
L8	N48°39'09"W	55.00'	L38	N43°19'09"W	55.00'
L9	N43°56'26"W	55.00'	L39	N84°52'56"W	77.89'
L10	N39°13'44"W	55.00'	L40	N67°38'13"E	55.00'
L11	N41°04'12"E	56.57'	L41	N46°23'20"E	74.47'
L12	N59°50'43"E	57.46'	L42	N34°13'03"E	38.78'
L13	N58°28'57"E	42.96'	L43	N18°54'45"E	57.22'
L14	N56°19'00"E	105.33'	L44	N73°35'42"W	68.05'
L15	N37°16'29"W	63.10'	L45	N76°41'59"W	115.45'
L16	N59°50'51"W	109.36'	L46	N79°48'16"W	115.46'
L17	N75°23'36"E	55.00'	L47	N82°54'33"W	115.46'
L18	N68°44'58"E	75.03'	L48	N86°00'51"W	115.46'
L19	N27°27'09"E	55.00'	L49	N89°26'49"W	95.49'
L20	N22°16'52"E	51.75'	L50	EAST	275.00'
L21	N3°29'56"W	55.00'	L51	N2°32'41"W	225.22'
L22	N24°45'39"W	43.26'	L52	N53°58'21"E	68.01'
L23	N32°32'49"W	21.31'	L53	EAST	847.50'
L24	N41°10'53"W	56.26'	L54	NORTH	27.21'
L25	N45°32'34"E	101.64'	L55	N89°54'28"E	9.01'
L26	N43°22'22"E	57.12'	L56	N5°18'13"E	93.75'
L27	N69°11'58"E	28.10'	L57	N45°29'51"W	62.07'
L28	N56°12'55"W	57.74'			
L29	N57°46'03"W	57.74'			
L30	N59°19'12"W	57.74'			



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- SET 3.0" WITNESS CORNER (W.C.) UNLESS OTHERWISE NOTED, MEASURED ALONG LOT LINE, RADIAL LINE, OR PERPENDICULAR TO STREET CENTER LINE AS NOTED, 3/4" BY 24" IRON PIPE WITH PLASTIC CAP "PLS 7788"
- △ 2-1/2" BRASS DISK STAMPED "PLS 7788" TO BE SET PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
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- S.D.E. STORM DRAIN EASEMENT

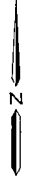
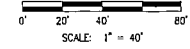
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- EASEMENT LINE
- CENTERLINE
- RESTRICTED ACCESS

NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 17 FOR LINE AND CURVE TABLES.

**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
 - 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
 - SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
 - SET 3.00" WITNESS CORNER (W.C.) UNLESS OTHERWISE NOTED, MEASURED ALONG LOT LINE, RADIAL LINE, OR PERPENDICULAR TO STREET CENTER LINE AS NOTED. 3/4" BY 24" IRON PIPE WITH PLASTIC CAP "PLS 7788"
- △ 2-1/2" BRASS DISK STAMPED "PLS 7788" TO BE SET PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1)- SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT
- S.D.E. STORM DRAIN EASEMENT

- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - - EASEMENT LINE
- CENTERLINE
- ////// RESTRICTED ACCESS

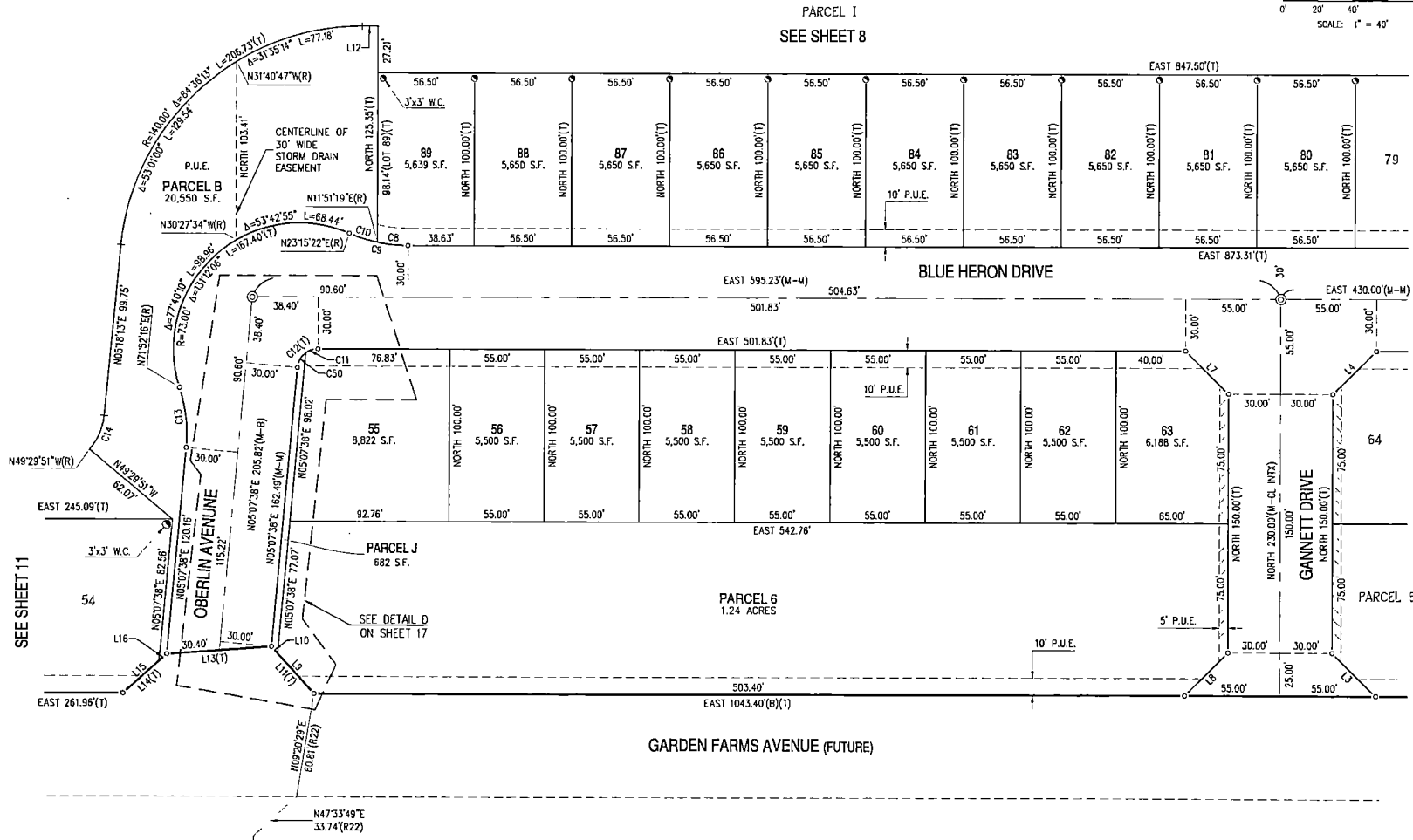
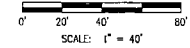
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**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

OCTOBER 2018



SEE SHEET 11

PARCEL I
SEE SHEET 8

SEE SHEET 9

LEGEND

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- | | |
|--|---|
| <ul style="list-style-type: none"> 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1) (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2 (M-W) MONUMENT TO MONUMENT (M-B) MONUMENT TO BOUNDARY (M-BC) MONUMENT TO BEGINNING OF A CURVE (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION (T) TOTAL (B) BOUNDARY (P.U.E.) PUBLIC UTILITY EASEMENT (S.D.E.) STORM DRAIN EASEMENT | <ul style="list-style-type: none"> — LOT LINE — RIGHT-OF-WAY LINE — BOUNDARY - - - EASEMENT LINE — CENTERLINE — RESTRICTED ACCESS |
|--|---|

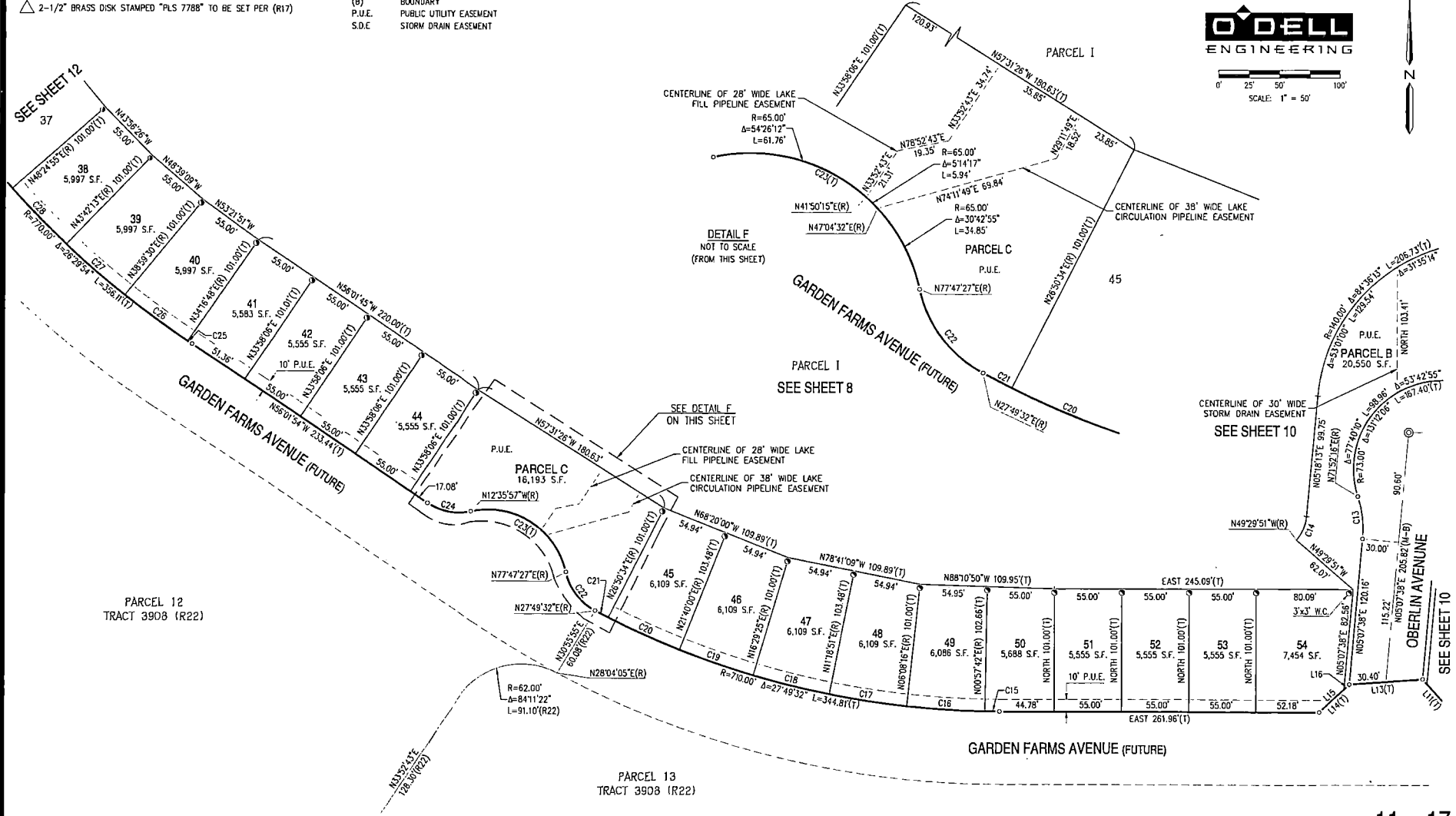
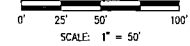
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**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

OCTOBER 2018



LEGEND

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- P.U.E. PUBLIC UTILITY EASEMENT
- S.O.E. STORM DRAIN EASEMENT

- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - - EASEMENT LINE
- CENTERLINE
- ////// RESTRICTED ACCESS

NOTES

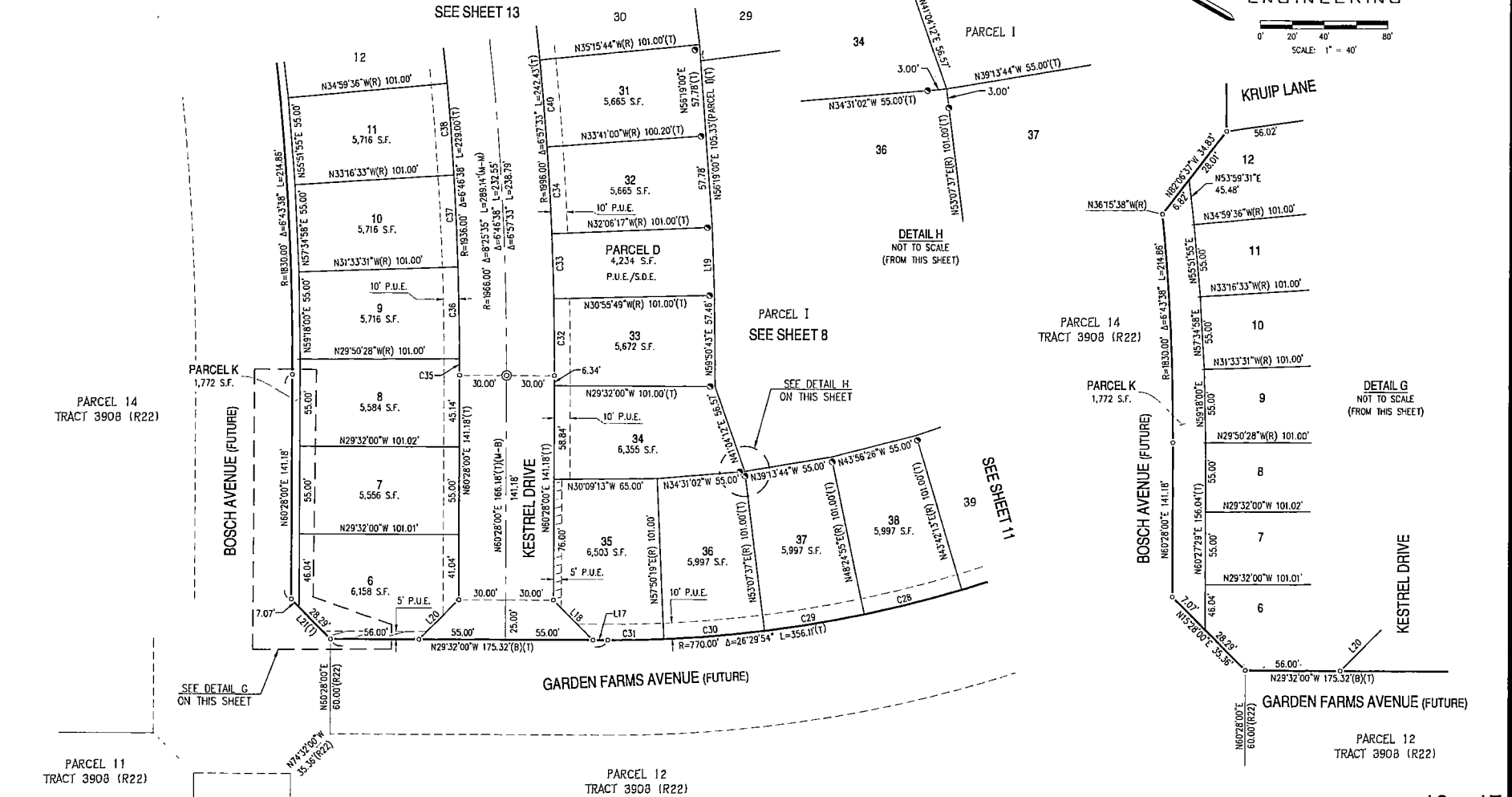
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TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



SCALE: 1" = 40'



DETAIL H
 NOT TO SCALE
 (FROM THIS SHEET)

DETAIL G
 NOT TO SCALE
 (FROM THIS SHEET)

LEGEND

- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
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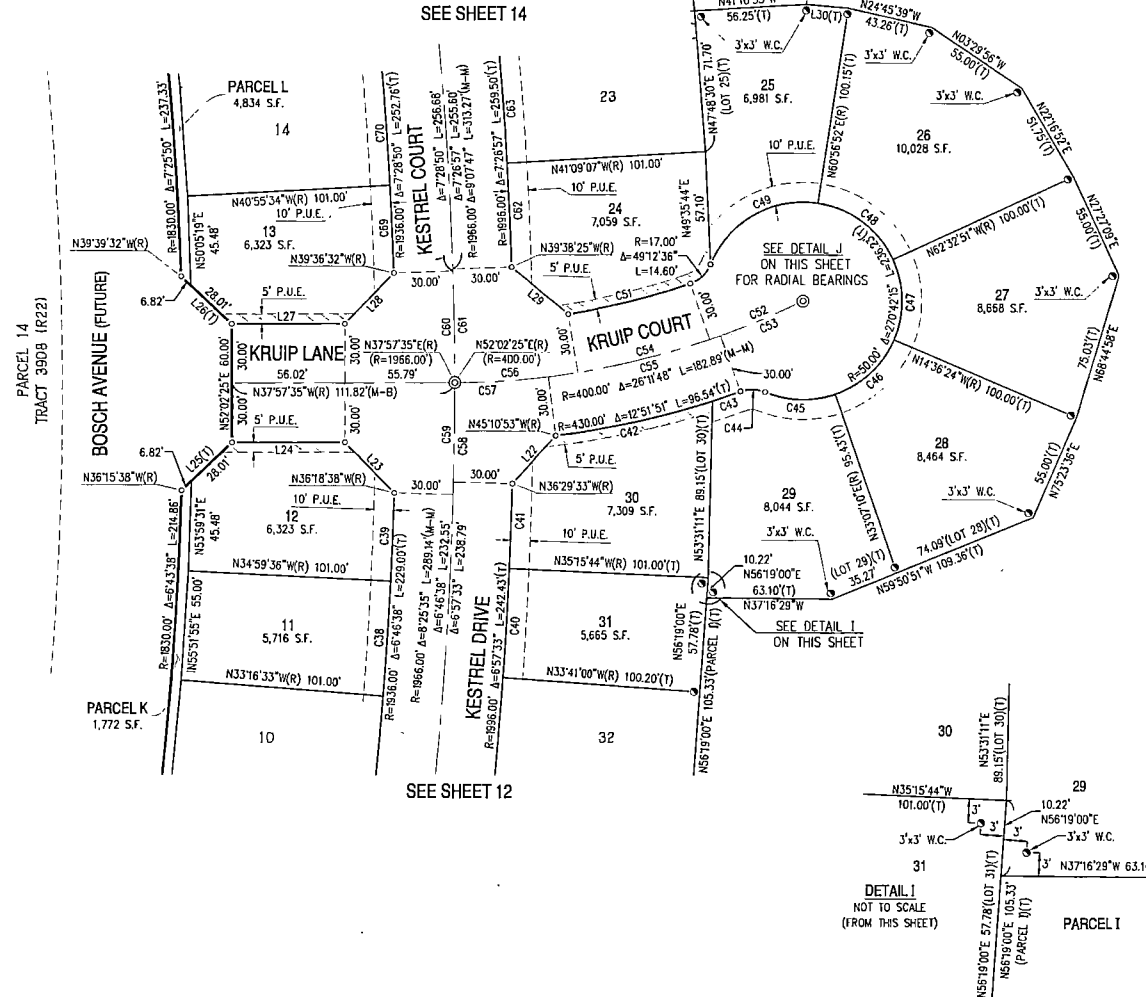
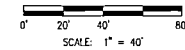
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - - EASEMENT LINE
- CENTERLINE
- ////// RESTRICTED ACCESS

NOTES

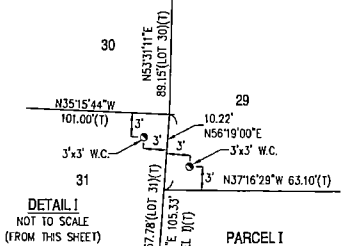
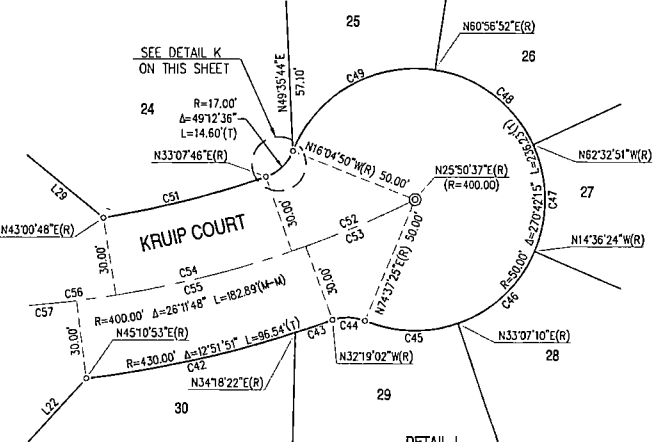
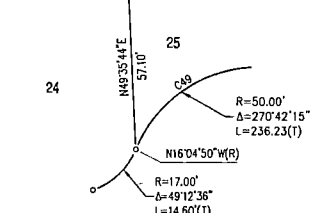
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**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



PARCEL I
SEE SHEET 8



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
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- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
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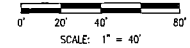
- LOT LINE
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**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

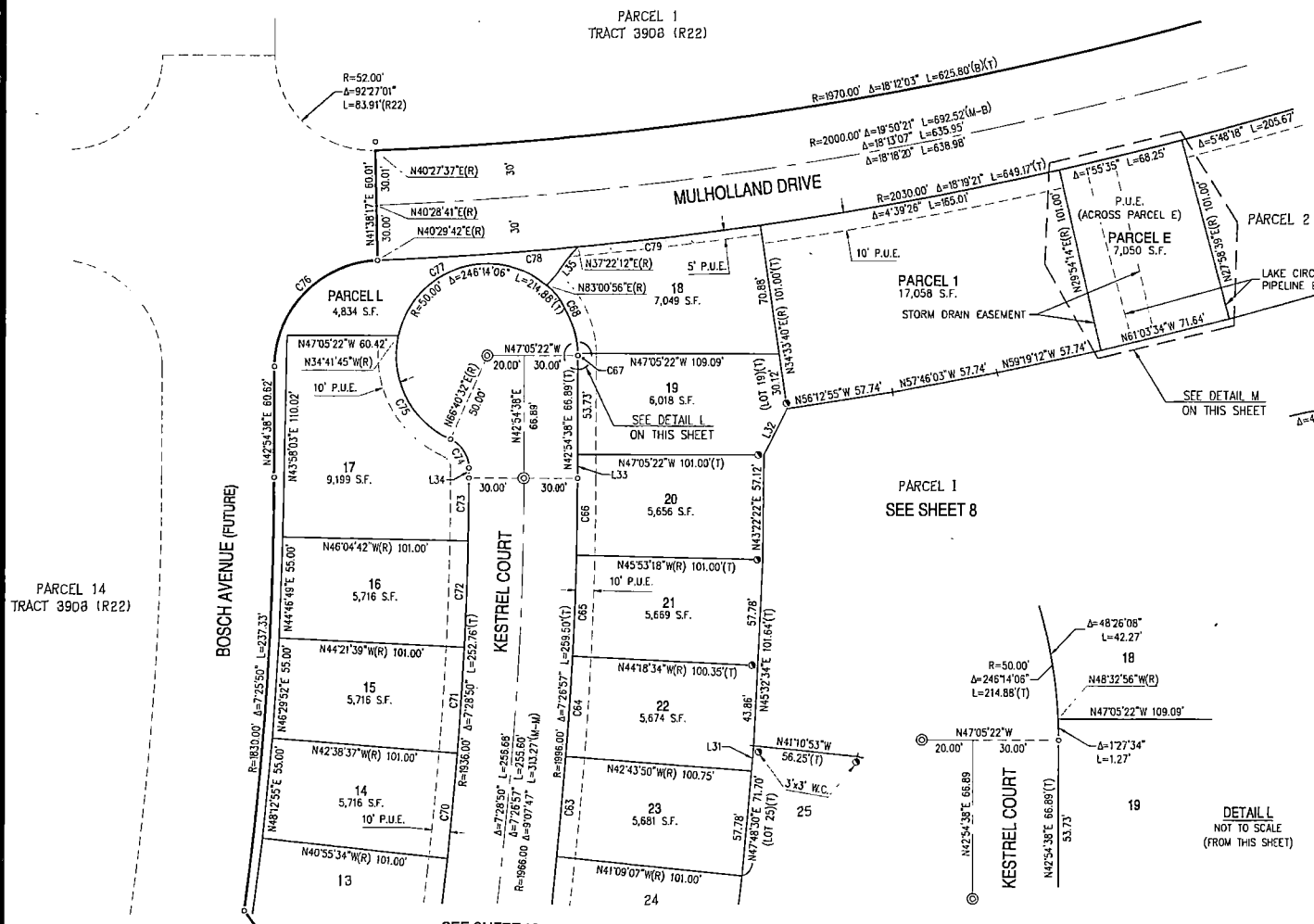
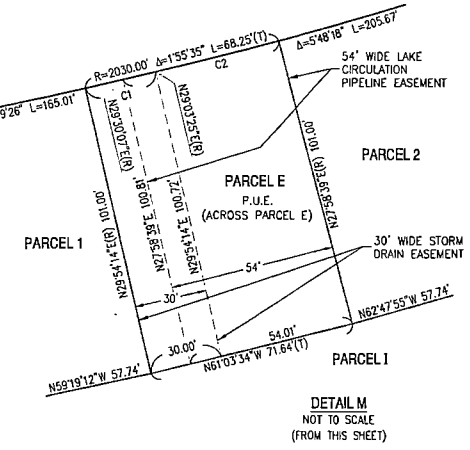
A PORTION OF RANCHO EL PESCADEIRO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



SEE SHEET 15

CURVE TABLES FOR COURSES SHOWN ON DETAIL L ONLY

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	2030.00'	0°50'49"	30.01'
C2	2030.00'	1°31'28"	54.01'



SEE SHEET 13

PARCEL 1
SEE SHEET 8

DETAIL L
NOT TO SCALE
(FROM THIS SHEET)

LEGEND

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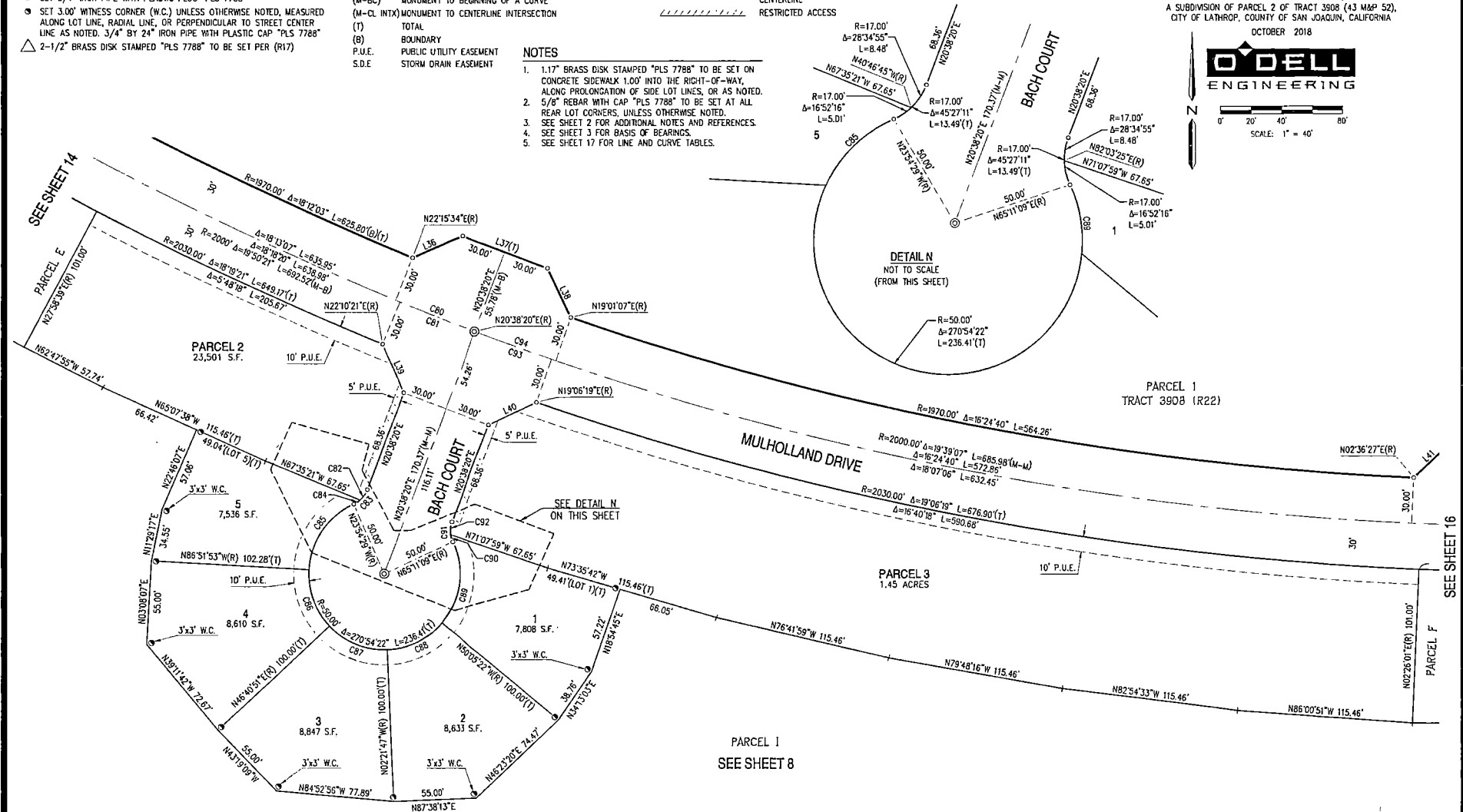
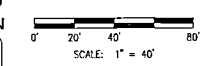
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TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



LEGEND

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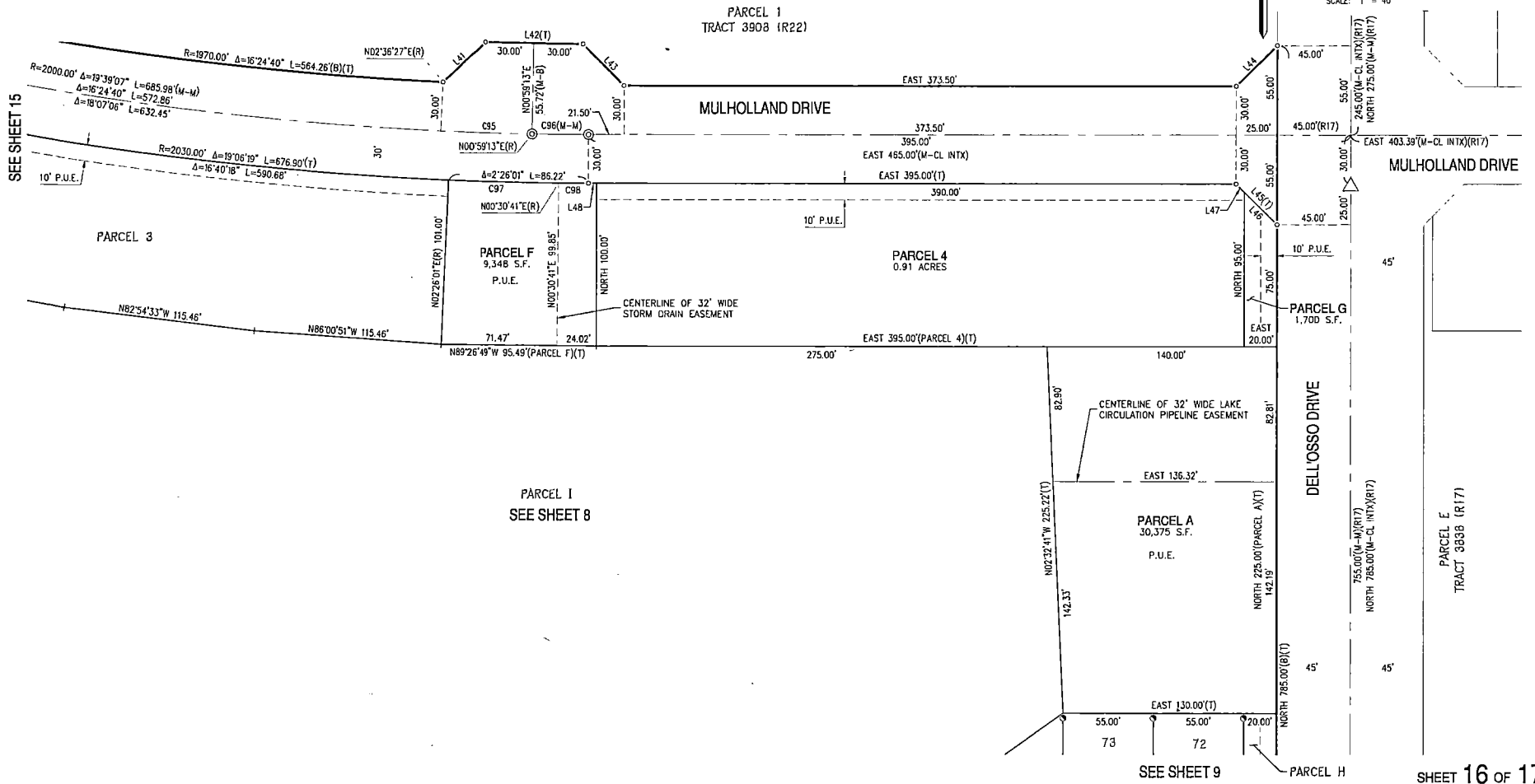
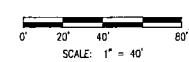
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**TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE BB**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

OCTOBER 2018



SEE SHEET 15

SEE SHEET 9

SHEET 16 OF 17

TRACT 3999
RIVER ISLANDS - STAGE 2A
VILLAGE B8

A PORTION OF RANCHO EL PESQUERO, BEING
A SUBDIVISION OF PARCEL 2 OF TRACT 3808 (AS MAP 52),
COUNTY OF SAN JUAN, CALIFORNIA
OCTOBER 2018



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LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEETS 9 THROUGH 18 ONLY

LINE TABLE			LINE TABLE			CURVE TABLE			CURVE TABLE			CURVE TABLE			CURVE TABLE		
LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH	CURVE #	RADIUS	DELTA	LENGTH	CURVE #	RADIUS	DELTA	LENGTH	CURVE #	RADIUS	DELTA	LENGTH
L1	N45°00'00"E	35.85	L28	N81°12'12"E	34.62	C1	50.00	45°00'00"	39.27	C26	770.00	4°42'42"	63.32	C31	370.00	5°32'02"	63.83
L2	N45°00'00"E	7.07	L29	N37°52'54"E	56.02	C2	50.00	64°39'51"	73.86	C27	770.00	4°42'42"	63.32	C32	400.00	7°17'09"	58.86
L3	N45°00'00"W	35.85	L30	N82°47'34"W	35.85	C3	50.00	44°35'48"	36.92	C28	770.00	4°42'42"	63.32	C33	400.00	6°28'26"	43.19
L4	N45°00'00"E	35.85	L31	N1°41'11"E	37.45	C4	50.00	71°59'27"	62.81	C29	770.00	4°42'42"	63.32	C34	400.00	9°53'02"	69.00
L5	N45°00'00"W	20.71	L32	N32°24'49"W	21.51	C5	17.00	24°29'25"	7.27	C30	770.00	4°42'42"	63.32	C35	400.00	12°31'51"	89.91
L6	N45°00'00"E	27.84	L33	N47°48'30"E	13.92	C6	17.00	66°14'06"	19.65	C31	400.00	9°51'37"	69.00	C36	2000.00	1°37'14"	56.57
L7	N45°00'00"W	35.85	L34	N89°11'59"E	28.10	C7	17.00	41°44'41"	12.99	C32	1985.00	1°28'02"	50.35	C37	2000.00	1°32'01"	53.63
L8	N45°00'00"E	35.85	L35	N42°54'38"E	13.16	C8	87.00	11°51'19"	18.00	C33	1985.00	1°40'28"	49.91	C38	17.00	16°52'11"	13.49
L9	N42°58'11"W	31.48	L36	N42°54'38"E	5.57	C9	87.00	23°15'22"	35.51	C34	1985.00	1°34'43"	54.99	C39	50.00	6°25'24"	54.94
L10	N42°56'11"W	5.42	L37	N83°10'59"E	27.62	C10	87.00	11°24'33"	17.31	C35	1985.00	1°49'28"	10.40	C40	50.00	6°25'24"	54.94
L11	N42°58'11"W	35.85	L38	N82°58'57"E	35.65	C11	12.00	36°40'59"	7.88	C36	1985.00	1°49'28"	10.40	C41	1985.00	1°39'57"	56.59
L12	N83°42'56"E	9.07	L39	N82°10'17"W	35.65	C12	12.00	64°52'22"	17.78	C37	1985.00	1°49'28"	10.40	C42	1985.00	1°39'57"	56.59
L13	N83°42'56"E	60.81	L40	N82°35'33"W	34.88	C13	35.00	39°11'56"	21.50	C38	1985.00	1°49'28"	10.40	C43	1985.00	1°39'57"	56.59
L14	N47°24'39"E	33.74	L41	N46°47'30"E	35.85	C14	35.00	29°11'56"	21.50	C39	1985.00	1°49'28"	10.40	C44	1985.00	1°39'57"	56.59
L15	N47°24'39"E	27.81	L42	N84°52'20"E	34.88	C15	710.00	0°57'42"	11.82	C40	1985.00	1°34'44"	55.00	C45	1985.00	1°34'44"	55.00
L16	N47°24'39"E	5.83	L43	N46°47'30"E	35.85	C16	710.00	5°10'34"	64.14	C41	1985.00	1°34'44"	55.00	C46	1985.00	1°34'44"	55.00
L17	N89°20'00"W	9.27	L44	N46°47'30"E	35.85	C17	710.00	5°10'34"	64.14	C42	430.00	10°52'11"	81.82	C47	50.00	1°27'34"	1.27
L18	N15°28'00"E	35.85	L45	N44°30'23"W	35.66	C18	710.00	5°10'34"	64.14	C43	430.00	10°52'11"	81.82	C48	50.00	48°20'08"	42.27
L19	N89°28'37"E	42.88	L46	N45°00'00"E	35.85	C19	710.00	5°10'34"	64.14	C44	17.00	42°18'23"	12.55	C49	1985.00	1°19'02"	44.51
L20	N45°00'00"W	35.85	L47	N45°00'00"W	35.85	C20	50.00	5°10'34"	64.14	C45	50.00	41°30'13"	36.22	C50	1985.00	1°43'02"	58.02
L21	N15°28'00"W	35.85	L48	N45°00'00"W	28.22	C21	710.00	0°58'56"	12.18	C46	50.00	47°45'34"	41.84	C51	1985.00	1°43'02"	58.02
L22	N45°00'00"E	32.70	L49	N45°00'00"W	7.07	C22	47.00	49°57'55"	40.59	C47	50.00	47°45'34"	41.84	C52	1985.00	1°43'02"	58.02
L23	N7°51'54"E	55.86				C23	65.00	97°23'24"	102.54	C48	50.00	35°20'17"	49.31	C53	1985.00	1°43'02"	58.02
L24	N45°00'00"W	58.02				C24	47.00	46°54'03"	38.30	C49	50.00	77°01'42"	67.22	C54	17.00	67°10'04"	18.65
L25	N82°39'31"W	34.82				C25	770.00	0°18'42"	4.19	C50	12.00	48°11'22"	10.99	C55	50.00	78°37'43"	68.82

- LEGEND**
- ⊗ MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE SHOWN
 - ⊙ SET STAMPED COPY OF LATHROP MONUMENT W/LL STAMPED "R15 7788"
 - 3/4" IRON PIPE WITH PLASTIC PILE "R15 7788" PER (R17)
 - UNLESS OTHERWISE NOTED
 - SET 3/4" IRON PIPE WITH PLASTIC PILE "R15 7788"
 - SET 3/4" WIRELESS CORNER (WC) UNLESS OTHERWISE NOTED. WEIGHED ALONG LOT LINE. RADIAL LINE OR PERPENDICULAR TO SHEET CENTER LINE AS NOTED. 3/4" BY 24" IRON PIPE WITH PLASTIC CAP "R15 7788"
 - △ 2-1/2" BRASS DISK STAMPED "R15 7788" TO BE SET PER (R17)
 - (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
 - (R2) DENOTES REFERENCE (R2) - SEE REFERENCE LIST ON SHEET 2
 - (M-Q) MONUMENT TO CENTRIKUE INTERSECTION
 - (T) TOTAL
 - (B) BOUNDARY
 - (P) PILE
 - (S) PUBLIC UTILITY EASEMENT
 - (SE) STORM DRAIN EASEMENT
 - (L) LOT LINE
 - (R) RIGHT-OF-WAY LINE
 - (---) BOUNDARY
 - (---) EASEMENT LINE
 - (---) CENTERLINE
 - (---) RESTRICTED ACCESS

- NOTES**
1. 1 1/2" BRASS DISK STAMPED "R15 7788" TO BE SET ON CONCRETE
 2. DEMARK 100' R/W BY THE RIGHT-OF-WAY, ALONG PROLONGATION OF
 3. 5/8" REBAR WITH CAP "R15 7788" TO BE SET AT ALL REAR LOT
 4. CORNERS, UNLESS OTHERWISE NOTED.
 5. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
 6. SEE SHEET 3 FOR BASIS OF BEARINGS.

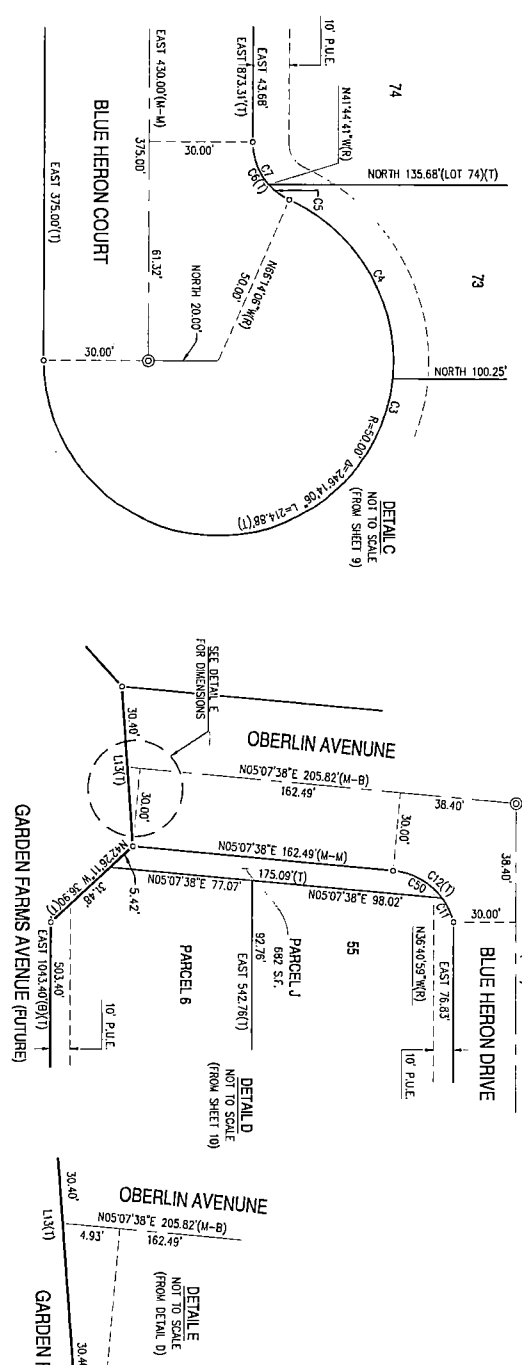


EXHIBIT B

TRACT 3999 AND VILLAGE "BB" AREA

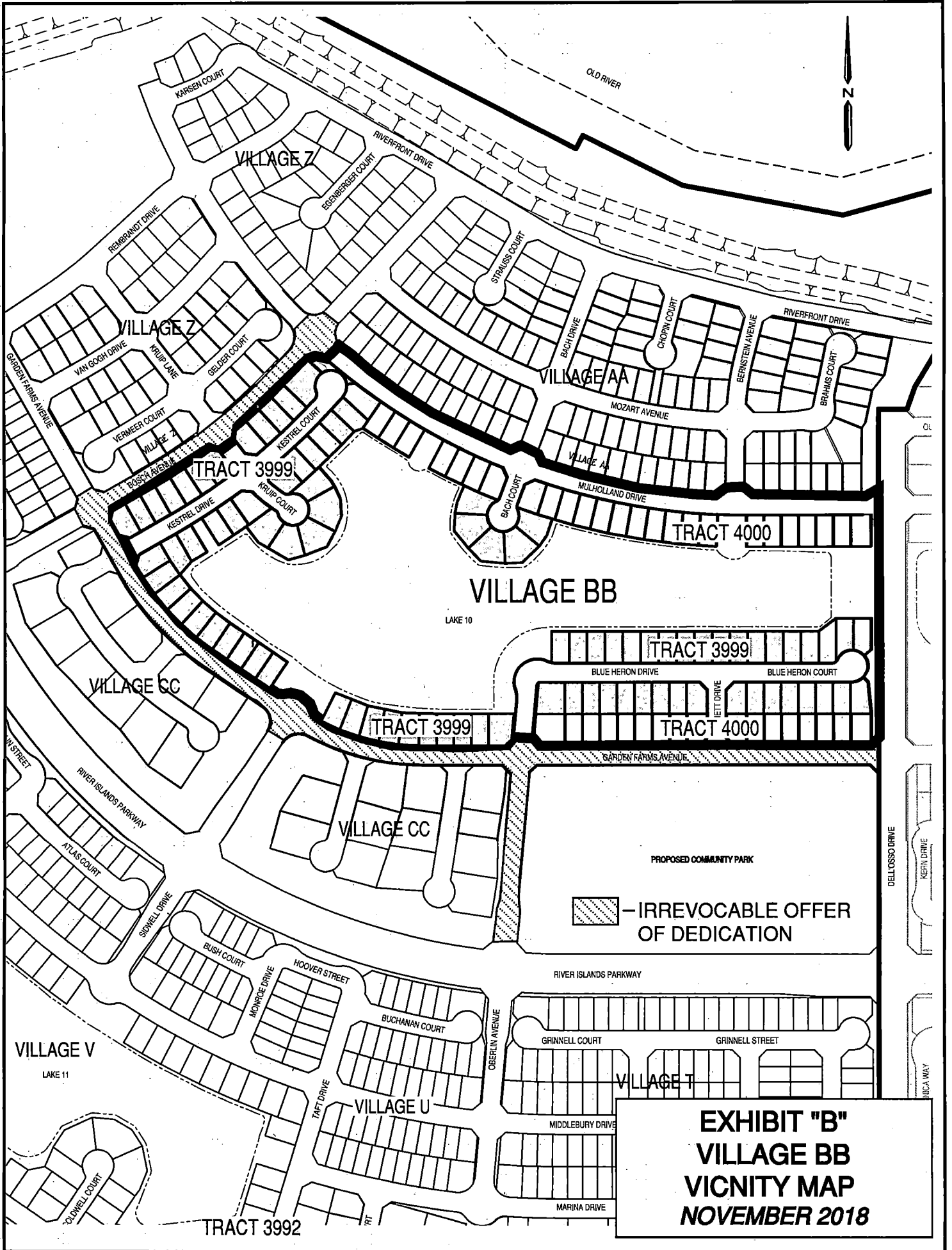


EXHIBIT C

CITY INSURANCE REQUIREMENTS

1. Subdivider shall obtain commercial general liability insurance companies licensed to do business in the State of California with an A.M. Best Company rating Insurance rating of no less than A:VII which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 for each occurrence and \$2,000,000 in the aggregate.

Said insurance coverage shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). All parties to the Subdivision Improvement Agreement must be named insured on the policy. The policy endorsements to be attached to the certificate must provide all the following:

a. Name the City of Lathrop, its officers, City Council, boards and commissions, and members thereof, its employees and agents as additional insured as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.

b. State that "the insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss.

c. Include a statement that, "the insurer will provide to the City of Lathrop at least thirty (30) days prior notice of cancellation or material change in coverage." The above language can be included on the additional insured endorsement form or on a separate endorsement form.

d. The policy must contain a cross liability or severability of interest clause.

e. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/12/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Insurance Services of California, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE INSURER A: United Specialty Insurance Company	NAIC # 12537
INSURED River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** W8502834 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Y	ATN-SF1811644P	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			BTN1814514W	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 3,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Tract 3999 River Islands- Stage 2A Village BB

The City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents as additional insured as respects the general liability policy. The insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the

CERTIFICATE HOLDER The City of Lathrop 390 Towne Centre Drive Lathrop, CA 95330	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
---	--

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Willis Insurance Services of California, Inc.		NAMED INSURED River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1	
CARRIER See Page 1	NAIC CODE See Page 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

insurance afforded to the named insured by this policy and shall not contribute to any loss as respects the insured's operations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	River Islands @ Lathrop Development
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY

USIC VEN 016 11 10 07

**Named Insured: River Islands Development, LLC
Policy Number: ATN-SF1811644P**

**PRIMARY AND NON-CONTRIBUTING INSURANCE
(Third Party's Sole Negligence)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

The following is added to Section IV – Commercial General Liability Conditions, Paragraph 4:

Section IV: Commercial General Liability Conditions

4. Other Insurance:

- d. Notwithstanding the provisions of sub-paragraphs a, b, and c of this paragraph 4, with respect to the Third Party shown below, it is understood and agreed that in the event of a claim or "suit" arising out of the Named Insured's sole negligence, this insurance shall be primary and any other insurance maintained by the additional insured named as the Third Party below shall be excess and non-contributory.

The Third Party to whom this endorsement applies is:

City of Lathrop, its officers, City Council,
boards and commissions and members thereof,
its employees and agents
390 Towne Centre Drive
Lathrop, CA 95330

Absence of a specifically named Third Party above means that the provisions of this endorsement apply "as required by written contractual agreement with any Third party for whom you are performing work."

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

USIC VEN 078 03 11 07

**Named Insured: River Islands Development, LLC
Policy Number: ATN-SF1811644P**

THIRD PARTY CANCELLATION NOTICE

This endorsement shall not serve to increase our limits of insurance, as described in **SECTION III - LIMITS OF INSURANCE.**

This endorsement modifies Conditions provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

If we cancel this policy for any reason other than nonpayment of premium, we will mail notification to the persons or organizations shown in the schedule below (according to the number of days listed below) once the Named Insured has been notified.

If we cancel this coverage for nonpayment of premium, we will mail a copy of such written notice of cancellation to the name and address below at least 10 days prior to the effective date of such cancellation.

Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE

<u>Name and Address of Other Person/Organization</u>	<u>Number of Days Notice</u>
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	30 Days

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

EXHIBIT D

COHEN/PARADISE/STEWART REHABILITATION MAP

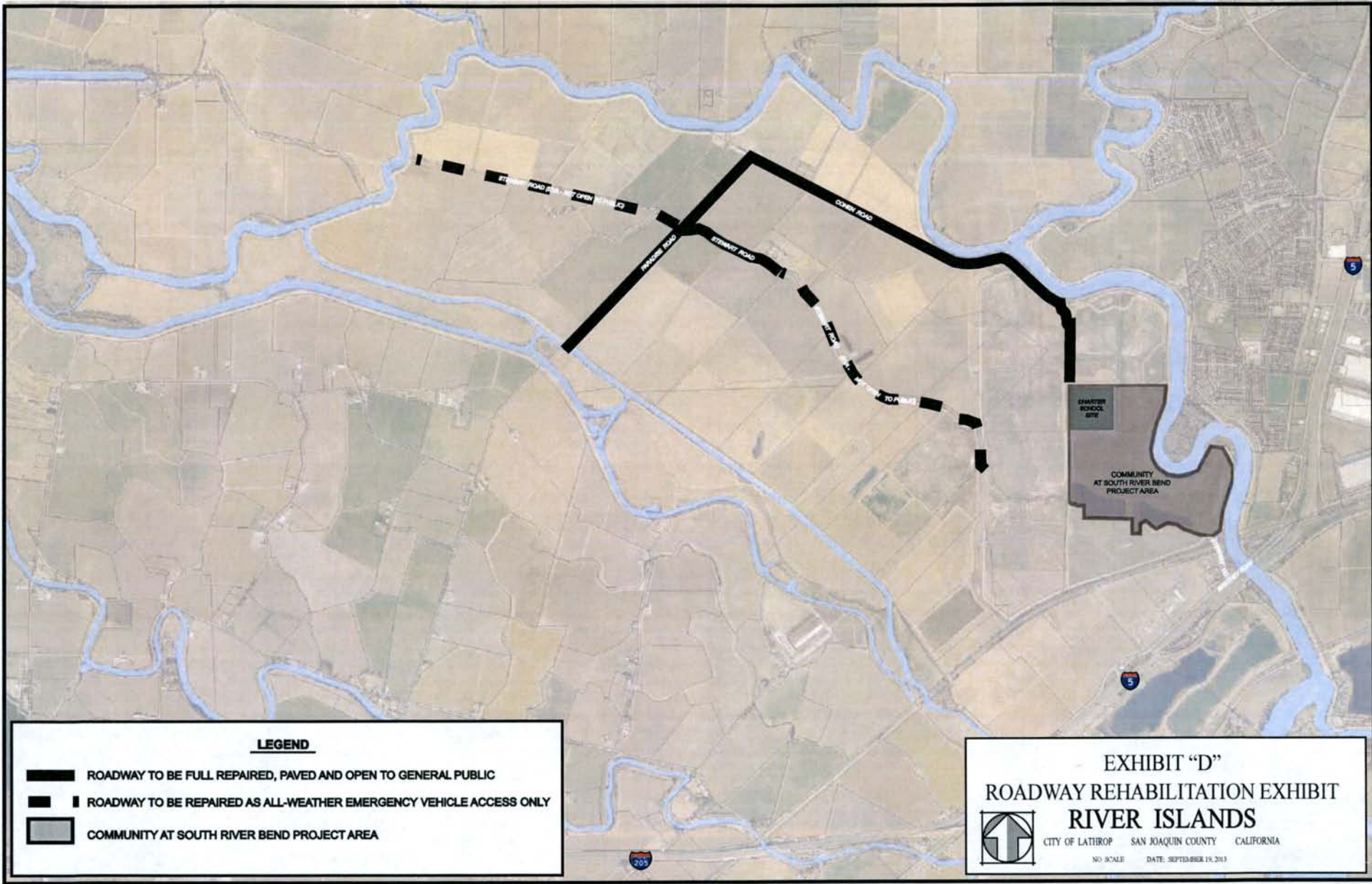


EXHIBIT E
UNFINISHED IMPROVEMENT COST ESTIMATE

ENGINEER'S BOND ESTIMATE
COST TO COMPLETE
RIVER ISLANDS - PHASE 2A
VILLAGE BB (131 LOTS)
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

September 4, 2018
 Job No.: 25502-93

Item Description	Quantity	Unit	Unit Price	Amount
1 Storm Drain & Sanitary Sewer Manholes and Gate Valves Raising Iron <i>(95% Completion)</i>	1	LS	\$ 48,800.00	\$ 48,800.00
2 Set Water Boxes and SSCO Boxes <i>(95% Completion)</i>	1	LS	\$ 65,500.00	\$ 65,500.00
3 Survey Monuments <i>(0% Completion)</i>	1	LS	\$ 6,000.00	\$ 6,000.00
4 Signing & Striping <i>(0% Completion)</i>	1	LS	\$ 25,800.00	\$ 25,800.00
TOTAL COST TO COMPLETE \$				146,100.00

Notes:

- 1) Estimate for cost to complete based on contractor's cost to complete summary sheet and backup documents for Village BB.

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE BB (131 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

October 29, 2018
Job No.: 25510.82

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREETSCAPE</u>					
1	Landscape/Irrigation Improvements	23,181	SF	\$ 5.00	\$ 115,905.00
	Subtotal Streetscape				\$ 115,905.00
<u>POCKET PARK</u>					
1	Landscape/Irrigation Improvements	106,912	SF	\$ 8.00	\$ 855,296.00
	Subtotal Pocket Park				\$ 855,296.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 971,201.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, frontyard/pkwy strip landscape and irrigation, docks, steps/stairs to docks or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.

EXHIBIT F

VILLAGE "BB" IMPROVEMENTS ENGINEER'S ESTIMATE

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE BB (131 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

March 7, 2018
Job No.: 25502-93

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREET WORK</u>					
1	Fine Grading	460,300	SF	\$ 0.45	\$ 207,135.00
2	3" AC Paving	50,400	SF	\$ 1.50	\$ 75,600.00
3	4.5" AC Paving	192,000	SF	\$ 2.25	\$ 432,000.00
4	6" Aggregate Base	34,100	SF	\$ 0.90	\$ 30,690.00
5	7" Aggregate Base	16,300	SF	\$ 1.05	\$ 17,115.00
6	8" Aggregate Base	192,000	SF	\$ 1.20	\$ 230,400.00
7	Vertical Curb and Gutter <i>(with AB cushion)</i>	4,930	LF	\$ 15.00	\$ 73,950.00
8	Rolled Curb and Gutter <i>(with AB cushion)</i>	9,660	LF	\$ 15.00	\$ 144,900.00
9	Type F Median Curb <i>(with AB cushion)</i>	400	LF	\$ 18.00	\$ 7,200.00
10	Concrete Sidewalk	77,200	SF	\$ 5.00	\$ 386,000.00
11	Driveway Approach	161	EA	\$ 600.00	\$ 96,600.00
12	Handicap Ramps	23	EA	\$ 2,500.00	\$ 57,500.00
13	Survey Monuments	19	EA	\$ 300.00	\$ 5,700.00
14	Traffic Striping & Signage	7,700	LF	\$ 5.00	\$ 38,500.00
15	Dewatering <i>(budget)</i>	7,700	LF	\$ 40.00	\$ 308,000.00
16	Remove Existing Street Barricade	7	EA	\$ 500.00	\$ 3,500.00
17	Barricade	2	EA	\$ 1,500.00	\$ 3,000.00
18	Demolition	1	LS	\$ 10,000.00	\$ 10,000.00
Subtotal Street Work					\$ 2,127,790.00
<u>STORM DRAIN</u>					
19	Catch Basins <i>(type A inlet)</i>	23	EA	\$ 2,400.00	\$ 55,200.00
20	Catch Basins <i>(type A inlet over type I manhole base)</i>	18	EA	\$ 2,800.00	\$ 50,400.00
21	Catch Basins <i>(type A inlet over type II manhole base)</i>	4	EA	\$ 5,000.00	\$ 20,000.00
22	Catch Basins <i>(type A inlet over type III manhole base)</i>	4	EA	\$ 7,500.00	\$ 30,000.00
22	Field Inlet <i>(type C inlet over type I manhole base)</i>	4	EA	\$ 2,800.00	\$ 11,200.00
23	15" Storm Drain Pipe	1,790	LF	\$ 34.00	\$ 60,860.00
24	18" Storm Drain Pipe	500	LF	\$ 46.00	\$ 23,000.00
25	24" Storm Drain Pipe	2,210	LF	\$ 65.00	\$ 143,650.00
26	36" Storm Drain Pipe	410	LF	\$ 95.00	\$ 38,950.00
27	42" Storm Drain Pipe	520	LF	\$ 120.00	\$ 62,400.00
28	48" Storm Drain Pipe	660	LF	\$ 125.00	\$ 82,500.00
29	54" Storm Drain Pipe	122	LF	\$ 130.00	\$ 15,860.00
30	Storm Drain Stub & Plug	4	EA	\$ 1,000.00	\$ 4,000.00
31	Manholes <i>(type I)</i>	2	EA	\$ 3,000.00	\$ 6,000.00
32	Manholes <i>(type II)</i>	1	EA	\$ 5,000.00	\$ 5,000.00
33	Connect to Existing	9	EA	\$ 1,700.00	\$ 15,300.00
Subtotal Storm Drain					\$ 624,320.00

Item	Description	Quantity	Unit	Unit Price	Amount
<u>SANITARY SEWER</u>					
34	8" Sanitary Sewer Pipe	6,970	LF	\$ 28.00	\$ 195,160.00
35	Manholes	28	EA	\$ 4,000.00	\$ 112,000.00
36	Sewer Service	161	EA	\$ 600.00	\$ 96,600.00
37	Sewer Stub & Plug	3	EA	\$ 1,000.00	\$ 3,000.00
38	Connect to Existing	3	EA	\$ 3,000.00	\$ 9,000.00
Subtotal Sanitary Sewer					\$ 415,760.00
<u>WATER SUPPLY</u>					
39	8" Water Line <i>(including all appurtenances)</i>	5,920	LF	\$ 32.00	\$ 189,440.00
40	10" Water Line <i>(including all appurtenances)</i>	1,780	LF	\$ 40.00	\$ 71,200.00
41	Water Service	161	EA	\$ 2,000.00	\$ 322,000.00
42	Fire Hydrants	17	EA	\$ 4,000.00	\$ 68,000.00
43	Connect to Existing	8	EA	\$ 4,000.00	\$ 32,000.00
44	Water Plug & Stub	9	EA	\$ 1,000.00	\$ 9,000.00
Subtotal Water Supply					\$ 691,640.00
<u>NON-POTABLE WATER SUPPLY</u>					
45	10" Non-Potable Water Line <i>(including all appurtenances)</i>	2,630	LF	\$ 40.00	\$ 105,200.00
46	Connect to Existing	5	EA	\$ 3,000.00	\$ 15,000.00
Subtotal Non-Potable Water Supply					\$ 120,200.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 3,980,000.00
COST PER LOT					\$ 30,382.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, landscaping, irrigation, or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE BB (131 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

October 29, 2018
Job No.: 25510.82

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREETSCAPE</u>					
1	Landscape/Irrigation Improvements	23,181	SF	\$ 5.00	\$ 115,905.00
	Subtotal Streetscape				\$ 115,905.00
<u>POCKET PARK</u>					
1	Landscape/Irrigation Improvements	106,912	SF	\$ 8.00	\$ 855,296.00
	Subtotal Pocket Park				\$ 855,296.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 971,201.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, frontyard/pkwy strip landscape and irrigation, docks, steps/stairs to docks or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.

EXHIBIT G

**RIPFA LETTER OF GUARANTEE
INTERIM PUBLIC ACCESS WITHIN THE STAGE 2A DEVELOPMENT AREA**

RIVER ISLANDS PUBLIC FINANCING AUTHORITY

73 W. STEWART ROAD
LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

May 4, 2017

Glenn Gebhardt, City Engineer
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330

Subject: Letter of Guarantee - Construction of Interim Public Access within the River Islands at Lathrop Stage 2A Development Area

This Letter of Guarantee is being made in lieu of a performance bond for the construction of an interim public access (public right of way) within the Stage 2A development area of the River Islands development project. River Islands Development, LLC ("RID") has requested the permanent closure of Cohen Road from Stage 1 to Paradise Road and Paradise Road from Stewart Road to the Stage 2A levee (see Exhibit "A" attached to this Letter of Guarantee). This closure would allow the construction of the Stage 2B levee system. The closure will not allow public traffic to utilize Paradise Road to access the River Islands development area while the construction of the Stage 2B levee is occurring, but still allow emergency vehicles access to the area via all-weather access roads.

RID plans to construct River Islands Parkway from its current terminus in Stage 1, through the Stage 2A development area and into Stage 2B and reconstruct Paradise Road within Stage 2B to restore public access to the project from the Tracy/Banta area. Until these roads are constructed and dedicated to the City for public use, the City is requiring security to restore public access to Paradise Road should RID fail to perform. We are providing you this Letter of Guarantee for this purpose.

The engineer's estimate as provided by O'Dell Engineering for a 28-foot-wide paved roadway, equivalent to existing Cohen Road, in the general alignment of proposed River Islands Parkway from Stage 1 to Paradise Road through Stage 2B is \$453,000 (See Exhibit "B"). The total length of this "guarantee roadway" is 6,150 linear feet. As a result, the Authority hereby agrees to set-aside funds in the amount of \$543,600, which amount is equal to 120% of the engineer's estimate, in-lieu of a performance bond. The funds are currently held, and will be set aside, in the Improvement Fund established under the Fiscal Agent Agreement, dated as of December 1, 2015, between the Authority and Wilmington Trust, National Association, as fiscal agent. The Joint Community Facilities Agreement, dated as of November 16, 2015, between the Authority and the City allows for funds in the Improvement Fund to be used to pay costs of infrastructure improvements for the River Islands development, including roadways.

Under the terms of this Letter of Guarantee, the Authority shall hold the funds as stated herein in the Improvement Fund until August 1, 2020, or until such time that permanent roadways are

constructed and dedicated to the City to restore permanent public access to Paradise Road, whichever comes first. If the permanent roadways are not constructed, inspected and accepted by the City by August 1, 2020 and the deadline is not extended by the City in writing, no later than August 2, 2020, the Authority will cause one of the following to occur:

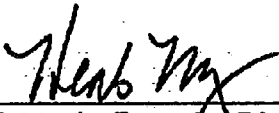
1. The Authority shall use the funds set aside in the Improvement Fund to construct a 28-foot-wide paved roadway in a new alignment, equivalent to the existing Cohen Road or, to reconstruct the existing 28-foot-wide paved Cohen and Paradise roadways in the original alignment at the City's direction. The Authority shall utilize a suitable contractor and bid the work under applicable law. The Authority and the City shall mutually agree to a timeline to which the roadways necessary to restore access are constructed, inspected and operational, not to exceed December 31, 2020-.
2. The Authority shall withdraw the funds from the set aside monies in the Improvement Fund and provide said monies to the City, to be held in a segregated account maintained by the City, to be used solely for construction or reconstruction of the applicable roadways. In such event, the City will use reasonable diligence to complete the construction of the roadways. Once permanent access has been constructed to the satisfaction of the City Engineer, and all costs related thereto have been paid, the City shall return any of the unspent funds and any investment earnings thereon to the Authority for redeposit to the Improvement Fund. Until the completion of the roadways and return of any excess funds to the Authority, the City will maintain records as to the reinvestment of the funds provided to it, and will provide the Authority with its records as to any such investment earnings upon written request of the Authority. Additionally, in the event that the City advises the Authority in writing that the funds provided to the City are not sufficient to pay all of the costs associated with the roadways necessary to restore public access, and advises the Authority as to the amount of the shortfall, the Authority will advance funds to the City from the Improvement Fund in the amount of the shortfall. In such event, and upon the written request of the Authority, the City will provide to the Authority a detailed breakdown of the costs of the construction of the remaining roadway work necessary to restore public access.
3. Since the construction of roadways within Stages 2A and 2B are phased and will continue to be constructed by RID, RD 2062 or the Authority over time, the Authority may request a reduction in the amount of funds necessary to be held from the Improvement Fund as segments of permanent public roadways are constructed and dedicated to the City. For instance, segments of River Islands Parkway through Stage 2A should be completed in late 2017/early 2018 and dedication of this segment would reduce the amount of security described herein. As a result, a reduction of \$88.40 per LF (\$543,600/6,150 LF) shall be granted for each linear foot permanently constructed and dedicated to the City.

The Authority shall retain the discretion to choose between the two options outlined above as the applicable security and to request reduction of the security as described in section 3 above. As confirmation of the acceptance of the terms and conditions of this Letter of Guarantee by the

Glenn Gebhardt, City Engineer
City of Lathrop
May 4, 2017
Page 3 of 3

City, please sign and date this letter as shown on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at (209) 879-7900.


Sincerely,

By: 
Herb Moniz, Executive Director
River Islands Public Financing Authority

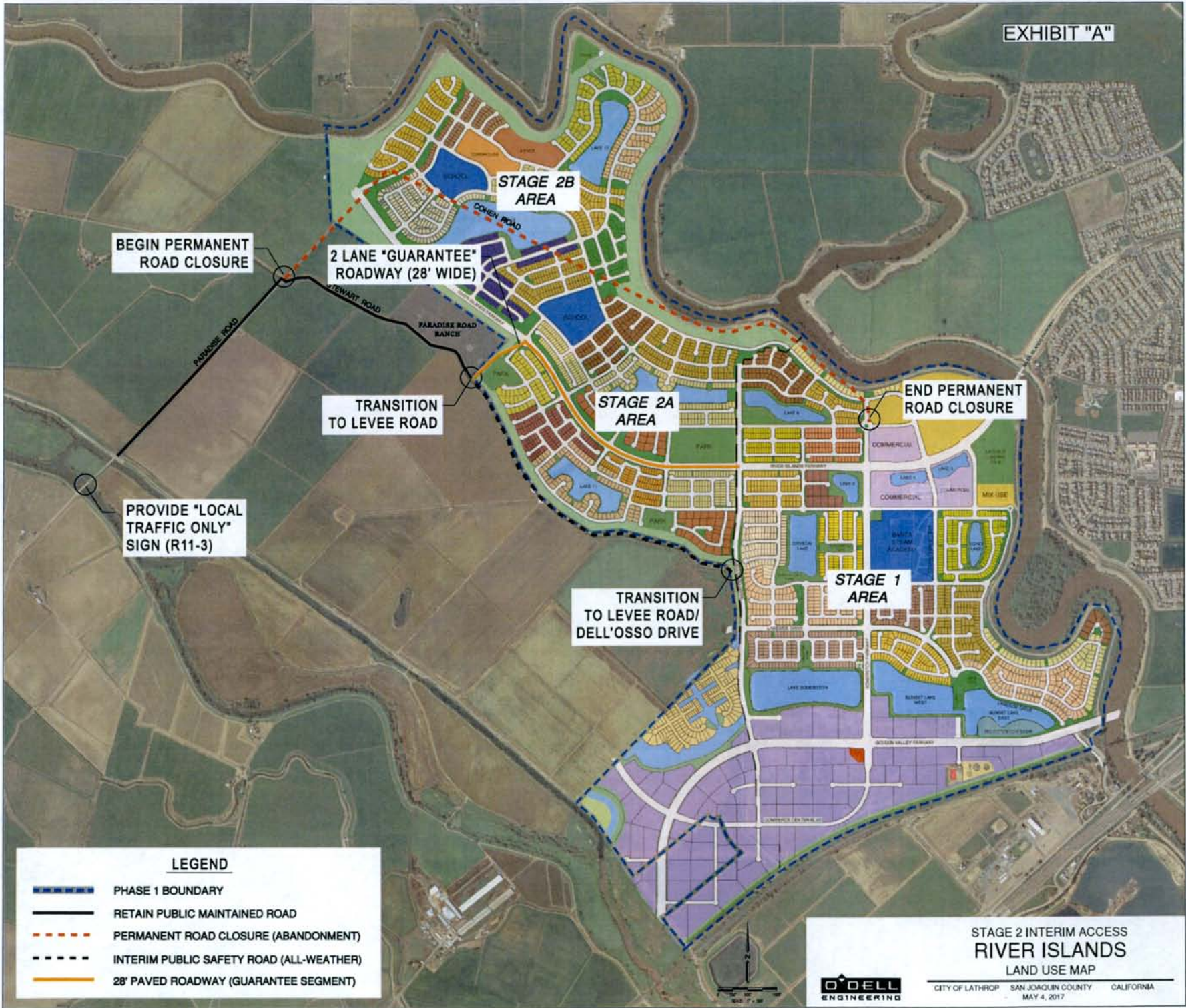
Enclosures: Exhibit "A": Location of Applicable Roadways – Cohen/Paradise
Exhibit "B": O'Dell Engineering – Engineer's Estimates

cc: Susan Dell'Osso, River Islands Development, LLC
John Zhang, O'Dell Engineering, Inc.

I Accept on Behalf of the City of Lathrop the Terms and Conditions of the foregoing Letter of Guarantee.

By: 
Glenn R. Gebhardt, City Engineer

May 15, 2017
Date



BEGIN PERMANENT ROAD CLOSURE

2 LANE "GUARANTEE" ROADWAY (28' WIDE)

STAGE 2B AREA

TRANSITION TO LEVEE ROAD

STAGE 2A AREA






END PERMANENT ROAD CLOSURE

PROVIDE "LOCAL TRAFFIC ONLY" SIGN (R11-3)

TRANSITION TO LEVEE ROAD/ DELL'OSSO DRIVE

STAGE 1 AREA

LEGEND

-  PHASE 1 BOUNDARY
-  RETAIN PUBLIC MAINTAINED ROAD
-  PERMANENT ROAD CLOSURE (ABANDONMENT)
-  INTERIM PUBLIC SAFETY ROAD (ALL-WEATHER)
-  28' PAVED ROADWAY (GUARANTEE SEGMENT)



STAGE 2 INTERIM ACCESS RIVER ISLANDS LAND USE MAP

CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA
MAY 4, 2017

EXHIBIT "B"



ENGINEER'S OPINION OF PROBABLE COST
INTERIM ROAD CONNECTION - STAGE 2A
GUARANTEE
RIVER ISLANDS - PHASE 1
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

May 4, 2017

Item	Description	Quantity	Unit	Unit Price	Amount
<u>SITE PREPARATION</u>					
1	Mobilization ¹	1	LS	\$ 25,000.00	\$ 22,750.00
2	Erosion Control	1	LS	\$ 2,500.00	\$ 2,500.00
Subtotal Site Preparation					\$ 25,250.00
<u>GRADING</u>					
3	Earthwork ²	1,600	CY	\$ 5.00	\$ 8,000.00
Subtotal Grading					\$ 8,000.00
<u>MISCELLANEOUS</u>					
4	3" AC (6150 LF)	172,200	SF	\$ 1.50	\$ 258,300.00
5	6" AB (6150 LF)	172,200	SF	\$ 0.90	\$ 154,980.00
6	Conform to Existing	2	LS	\$ 3,000.00	\$ 6,000.00
Subtotal Miscellaneous					\$ 419,280.00
SUBTOTAL CONSTRUCTION COST					\$ 452,530.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 453,000.00

Notes:

- 1) Mobilization assumed to be 5% of total cost.
- 2) Earthwork quantity includes 35% shrinkage.

EXHIBIT H

**RIPFA LETTER OF GUARANTEE
RIVER ISLANDS PARKWAY WITHIN THE STAGE 2A DEVELOPMENT AREA**

RIVER ISLANDS PUBLIC FINANCING AUTHORITY

**73 W. STEWART ROAD
LATHROP, CALIFORNIA 95330**

TEL: (209) 878-7900

June 26, 2018

Glenn Gebhardt, City Engineer
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330

Subject: Letter of Guarantee - Construction of River Islands Parkway from Dell'Osso Drive to the Stage 2B Boundary (Lakeside East District) – Tract 3908

This Letter of Guarantee is being made in lieu of a performance bond for the construction of unfinished portions of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary within the Stage 2A development area of the River Islands development project (also known as the Lakeside East District). River Islands Public Financing Authority (Authority) is providing the funding for public improvements in the Stage 2A development area, including improvements to River Islands Parkway (Improvements). It is our understanding that a guarantee for construction of the River Islands Parkway Improvements through Stage 2A is required as a condition precedent to City Council approval of the Tract 3908 large lot subdivision map proposed by River Islands Development, LLC. Since the Authority is already setting aside funds for the full construction of River Islands Parkway, we are providing you this Letter of Guarantee as the required subdivision guarantee necessary for the Tract 3908 large lot final map.

The engineer's estimates as provided by O'Dell Engineering for the full cost of the of River Islands Parkway Improvements from Dell'Osso Drive to the Stage 2B boundary is \$5,264,000, and for the unfinished portions (as of June 15, 2018) of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary is \$338,004 (attached as Exhibit "A"). The Authority hereby agrees to set-aside funds in the amount of \$450,000, which amount is equal to 180% of this engineer's estimate of the unfinished improvements, in-lieu of a 100% performance bond and 50% labor and materials bond. The funds are currently held, and will be set aside, in the Improvement Fund established under the Fiscal Agent Agreement, dated as of December 1, 2015, between the Authority and Wilmington Trust, National Association, as fiscal agent. The Joint Community Facilities Agreement, dated as of November 16, 2015, between the Authority and the City allows for funds in the Improvement Fund to be used to pay costs of infrastructure improvements for the River Islands development, including River Islands Parkway. Also attached to this Letter of Guarantee is an exhibit showing the portion of River Islands Parkway being guaranteed by this letter for your reference (Exhibit "B").

Under the terms of this Letter of Guarantee, the Authority shall hold the funds as stated herein in the Improvement Fund until July 8, 2019, or until such time River Islands Parkway through Stage 2A is fully constructed, inspected and accepted into service by the City, whichever comes first. If this portion of River Islands Parkway is not constructed, inspected and accepted into service by the City by July 8, 2019 and the deadline is not extended by the City in writing, no later than September 30, 2019, the Authority will cause one of the following to occur:

1. The Authority shall use the funds set aside in the Improvement Fund to construct the River Islands Parkway Improvements. The Authority shall utilize a suitable contractor and bid the work under applicable law. The Authority and the City shall mutually agree to a timeline to which the roadway will be constructed, inspected and operational, no later than one year from the deadline noted above.
2. The Authority shall withdraw the funds from the set aside monies in the Improvement Fund and provide said monies to the City, to be held in a segregated account maintained by the City, to be used solely for construction or reconstruction of the applicable portion of River Islands Parkway. In such event, the City will use reasonable diligence to complete the construction of the River Islands Parkway. Until the completion of the River Islands Parkway and return of any excess funds to the Authority, the City will maintain records as to the reinvestment of the funds provided to it and will provide the Authority with its records as to any such investment earnings upon written request of the Authority. Additionally, in the event that the City advises the Authority in writing that the funds provided to the City are not sufficient to pay all of the costs of the construction of the River Islands Parkway and advises the Authority as to the amount of the shortfall, the Authority will advance funds to the City from the Improvement Fund in the amount of the shortfall. In such event, and upon the written request of the Authority, the City will provide to the Authority a detailed breakdown of the costs of the construction of the unfinished portions of River Islands Parkway through Stage 2A.

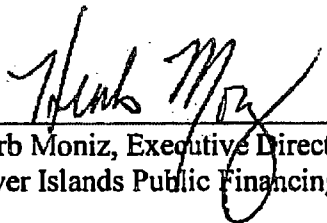
The Authority shall retain the discretion to choose between the two options outlined above. However, if any River Islands Parkway improvements remain incomplete on September 30, 2020, the Authority shall immediately resort to Option 2, and shall provide set aside moneys in the Improvement Fund as requested by the City to allow the City to complete the uncompleted improvements.

In addition, the commitment for the Authority to set aside these funds shall continue until the Improvements are constructed and accepted by the City Council, and the developer provides a one year maintenance bond in the amount of \$526,400 (10% of the full cost of the Improvements), or until the Authority provides an acceptable replacement letter of guarantee in that same amount of \$526,400 to guarantee the quality and condition of the full Improvements for one year from the date of acceptance by the City Council.

Glenn Gebhardt, City Engineer
City of Lathrop – Letter of Guarantee for Tract 3908
June 15, 2018
Page 3 of 3

As confirmation of the acceptance of the terms and conditions of this Letter of Guarantee by the City, please sign and date this letter as shown on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at (209) 879-7900.

Sincerely,

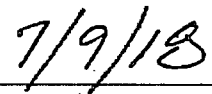
By: 
Herb Moniz, Executive Director
River Islands Public Financing Authority

Enclosures: Exhibit "A": Engineer's Estimate of full improvements from O'Dell Engineering
and Engineer's Estimate of unfinished improvements from O'Dell
Engineering
Exhibit "B": Location of guarantee on River Islands Parkway

cc: Susan Dell'Osso, River Islands Development, LLC

I Accept on Behalf of the City of Lathrop the Terms and Conditions
of the foregoing Letter of Guarantee.

By: 
Glenn R. Gebhardt, City Engineer


Date

**ENGINEER'S OPINION OF PROBABLE COST
RIVER ISLANDS - STAGE 2A
RIVER ISLANDS PARKWAY
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA**

March 6, 2018
Job No.: 25503-01

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREET WORK</u>					
1	Fine Grading	621,700	SF	\$ 0.45	\$ 279,765.00
2	7" AC Paving	316,800	SF	\$ 3.50	\$ 1,108,800.00
3	11" Aggregate Base	316,800	SF	\$ 1.65	\$ 522,720.00
4	12" Lime Treatment	316,800	SF	\$ 1.10	\$ 348,480.00
5	Vertical Curb and Gutter <i>(with AB cushion)</i>	9,600	LF	\$ 15.00	\$ 144,000.00
6	Type F Median Curb <i>(with AB cushion)</i>	9,100	LF	\$ 18.00	\$ 163,800.00
7	Roundabout Concrete	2,400	SF	\$ 5.00	\$ 12,000.00
8	Concrete Sidewalk	77,400	SF	\$ 5.00	\$ 387,000.00
9	Handicap Ramps	20	EA	\$ 2,500.00	\$ 50,000.00
10	Survey Monuments	7	EA	\$ 300.00	\$ 2,100.00
11	Barricades	1	EA	\$ 1,500.00	\$ 1,500.00
12	Traffic Signing & Striping	4,710	LF	\$ 5.00	\$ 23,550.00
13	Dewatering <i>(Budget)</i>	4,710	LF	\$ 75.00	\$ 353,250.00
Subtotal Street Work					\$ 3,396,965.00
<u>STORM DRAIN</u>					
14	Catch Basins <i>(type A inlet)</i>	24	EA	\$ 2,400.00	\$ 57,600.00
15	15" Storm Drain Pipe	1,110	LF	\$ 34.00	\$ 37,740.00
16	18" Storm Drain Pipe	220	LF	\$ 46.00	\$ 10,120.00
17	24" Storm Drain Pipe	780	LF	\$ 65.00	\$ 50,700.00
18	Storm Drain Stub & Plug	9	EA	\$ 1,000.00	\$ 9,000.00
Subtotal Storm Drain					\$ 165,160.00
<u>SANITARY SEWER</u>					
19	24" Sanitary Sewer Pipe	50	LF	\$ 150.00	\$ 7,500.00
20	Manholes	24	LF	\$ 4,000.00	\$ 96,000.00
21	Connect to Existing Sanitary Sewer	2	EA	\$ 3,000.00	\$ 6,000.00
Subtotal Sanitary Sewer					\$ 109,500.00
<u>WATER SUPPLY</u>					
22	8" Water Line <i>(including all appurtenances)</i>	740	LF	\$ 32.00	\$ 23,680.00
23	10" Water Line <i>(including all appurtenances)</i>	280	LF	\$ 40.00	\$ 11,200.00
24	20" Water Line <i>(including all appurtenances)</i>	4,630	LF	\$ 100.00	\$ 463,000.00
25	Fire Hydrants	16	EA	\$ 4,000.00	\$ 64,000.00
26	Water Service	6	EA	\$ 2,000.00	\$ 12,000.00
27	Water Plug & Stub	9	EA	\$ 1,000.00	\$ 9,000.00
28	Connect to Existing Water	1	EA	\$ 4,000.00	\$ 4,000.00
Subtotal Water Supply					\$ 586,880.00

Item	Description	Quantity	Unit	Unit Price	Amount
RECYCLED WATER					
29	8" Recycled Water Flushing Line <i>(including all appurtenances)</i>	80	LF	\$ 45.00	\$ 3,600.00
30	12" Recycled Water Drain Line <i>(including all appurtenances)</i>	150	LF	\$ 55.00	\$ 8,250.00
31	16" Recycled Water Line <i>(including all appurtenances)</i>	4,650	LF	\$ 65.00	\$ 302,250.00
32	Recycled Water Plug & Stub	4	EA	\$ 1,000.00	\$ 4,000.00
33	Connect to Existing Recycled Water	1	EA	\$ 5,000.00	\$ 5,000.00
Subtotal Recycled Water					\$ 323,100.00
NON-POTABLE WATER					
34	8" Non-Potable Water Line <i>(including all appurtenances)</i>	650	LF	\$ 35.00	\$ 22,750.00
35	16" Non-Potable Water Line <i>(including all appurtenances)</i>	4,660	LF	\$ 80.00	\$ 372,800.00
36	Non-Potable Water Service	6	LF	\$ 2,000.00	\$ 12,000.00
37	Non-Potable Water Plug & Stub	7	EA	\$ 1,000.00	\$ 7,000.00
38	Connect to Existing Non-Potable Water	1	EA	\$ 3,000.00	\$ 3,000.00
Subtotal Irrigation Water					\$ 417,550.00
LAKE FILL LINE					
39	16" Lake Fill Line <i>(including all appurtenances)</i>	4,820	LF	\$ 50.00	\$ 241,000.00
40	3" Aeration Line <i>(including all appurtenances)</i>	4,820	LF	\$ 4.00	\$ 19,280.00
41	Lake Fill Stub & Plug	3	EA	\$ 1,000.00	\$ 3,000.00
42	Connect to Existing Lake Fill Line	1	EA	\$ 1,000.00	\$ 1,000.00
Subtotal Lake Fill Line					\$ 264,280.00
SUBTOTAL CONSTRUCTION COST					\$ 5,263,435.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 5,264,000.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, landscaping, irrigation, or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.



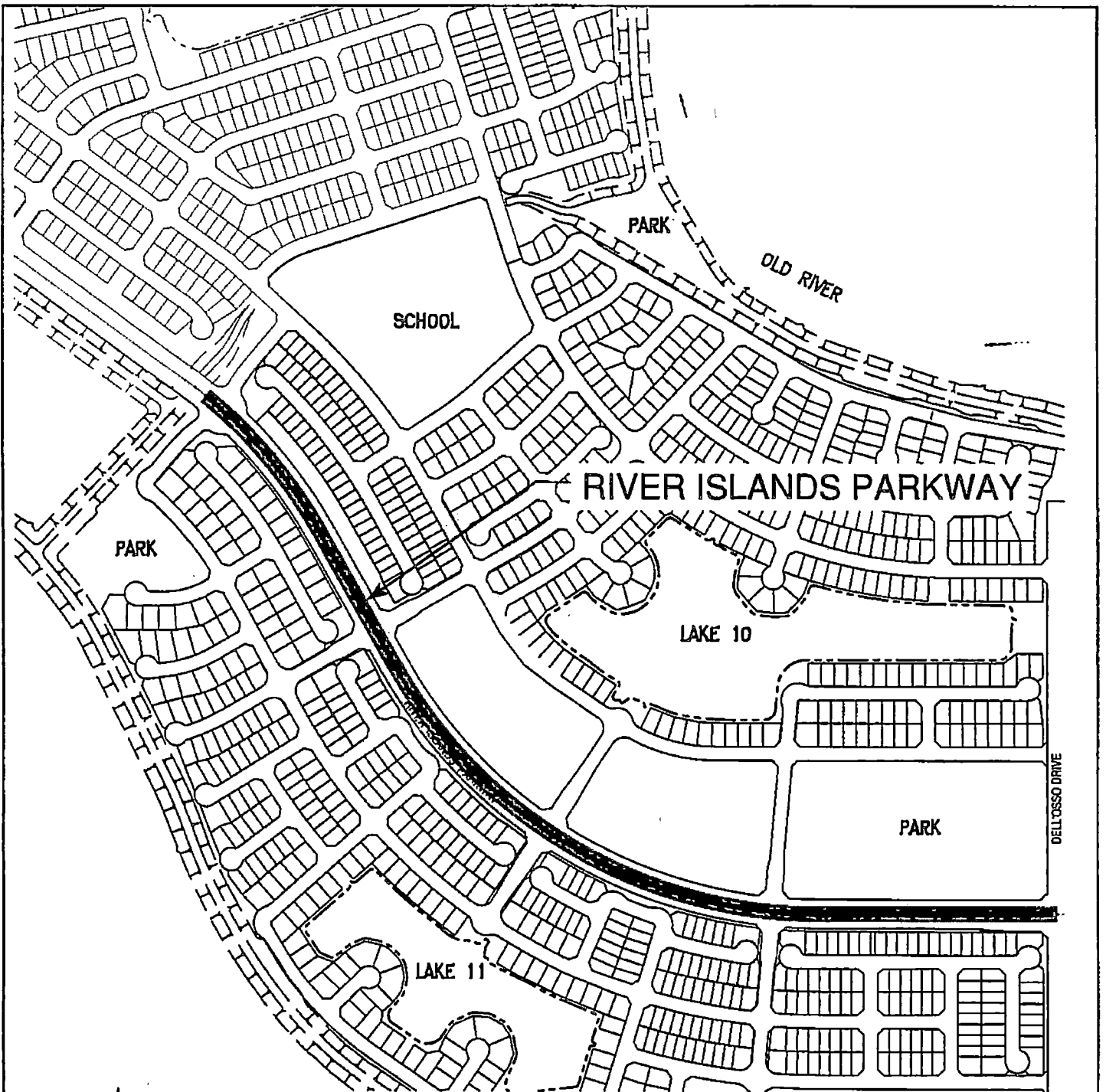
ENGINEER'S BOND ESTIMATE
COST TO COMPLETE
RIVER ISLANDS - STAGE 2A
RIVER ISLANDS PARKWAY
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

June 13, 2018
Job No : 25503-01

Item	Description	Quantity	Unit	Unit Price	Amount
1	Sanitary Sewer & Water Raising Iron (95% Completion)	1	LS	\$ 54,400.00	\$ 54,400.00
2	Final AC Lift (90% Completion)	1	LS	\$ 246,604.00	\$ 246,604.00
3	Final Signing, Striping & Monument (0% Completion)	1	LS	\$ 37,000.00	\$ 37,000.00
TOTAL COST TO COMPLETE					\$ 338,004.00

Notes.

- 1) Estimate for cost to complete based on contractor's cost to complete summary sheet and backup documents for Stage 2A River Islands Parkway (Dell'Osso Drive to Stage 2A/2B Levee) dated June 12, 2018.



**EXHIBIT B
RIVER ISLANDS PARKWAY
STAGE 2A
JULY 2018**

EXHIBIT I

**IRREVOCABLE OFFER OF DEDICATION FOR
BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE**

Recording Requested by and
Please Return to:

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330



*This Instrument Benefits City Only.
No Fee Required.*

This Space Above for Recorder's Use Only

**IRREVOCABLE OFFER OF DEDICATION OF EASEMENT
FOR PUBLIC ROADWAY PURPOSES AND PUBLIC UTILITY EASEMENT
(TRACT 3999 – OFFSITE ROADWAY DEDICATION – BOSCH AVENUE, GARDEN
FARMS AVENUE & OBERLIN AVENUE)**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, River Islands Development, LLC, a California limited liability company, hereby grant(s) to the CITY OF LATHROP, a municipal corporation in the County of San Joaquin, State of California, an easement for ingress, egress and road purposes, and a public utility easement (PUE), over and across the hereinafter described real property situated in City of Lathrop and more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California, and may be accepted at any time by the City Engineer of the City of Lathrop. This Offer of Dedication may be terminated, and right to accept such offer abandoned in the same manner as is prescribed for the vacation of streets or highways by Part 3 of Division 9, or Chapter 2 of Division 2 of the Streets and Highways Code of the State of California, whichever is applicable.

The above described easement is to be kept open, clear and free from buildings and structures of any kind. This Offer of Dedication shall be irrevocable and shall be binding on the Grantor's heirs, executors, administrators, successors and assigns.

SIGNATURES:

Signed this _____ day of _____, 2018

RIVER ISLANDS DEVELOPMENT, LLC
a California limited liability company

By: _____
Name: Susan Dell'Osso
Its: President

(Notary Acknowledgment Required for Each Signatory)

This is to certify that the interest in real property offered herein to the City of Lathrop is hereby acknowledged by the undersigned, City Clerk, on behalf of the City of Lathrop City Council to authority conferred by the Lathrop Municipal Code and the grantee(s) consent(s) to the recordation thereof by its duly authorized officer

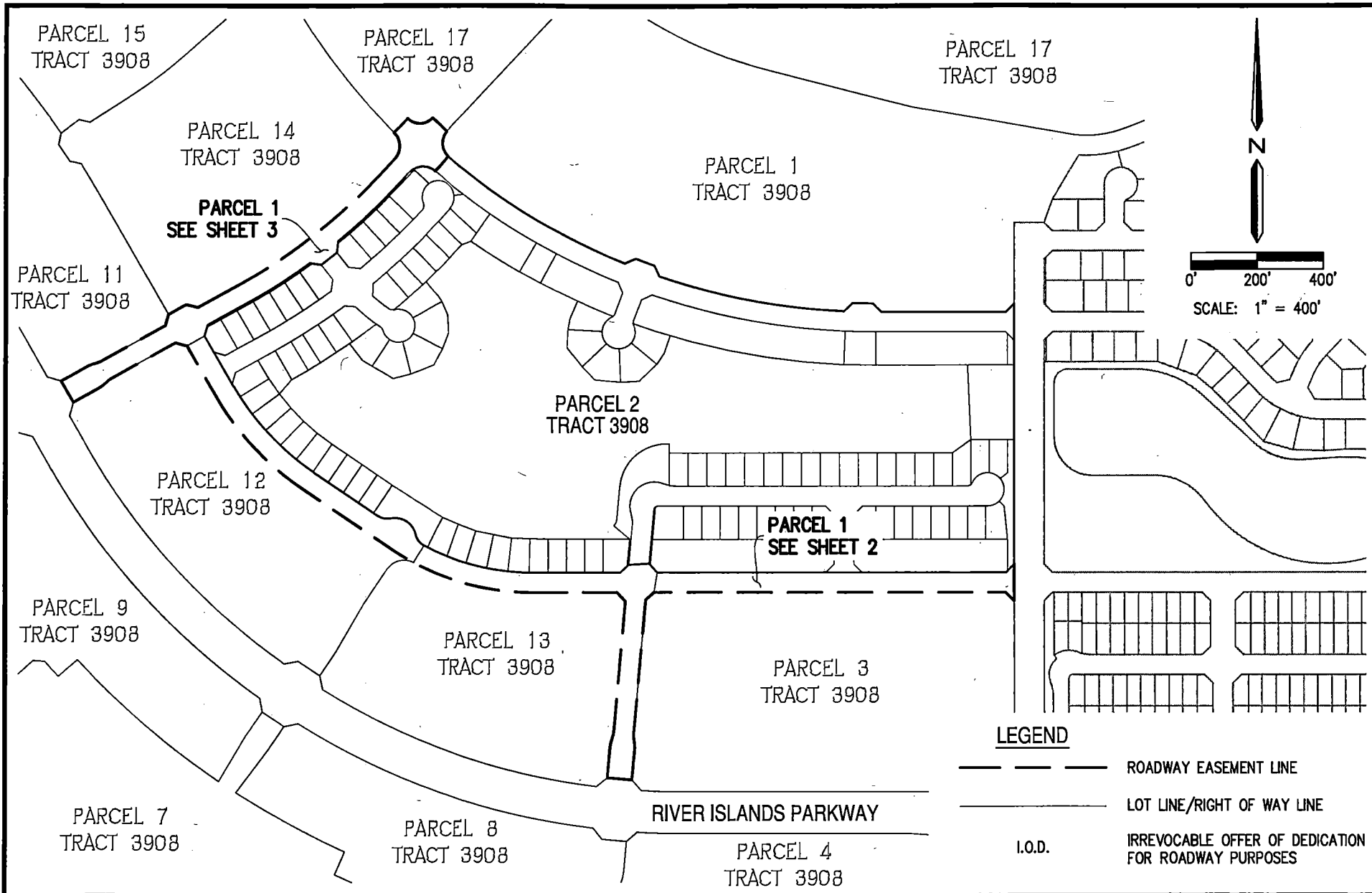
TERESA VARGAS, CITY CLERK

By: _____

Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION
OFFSITE ROADWAY DEDICATION AND ADJACENT PUBLIC UTILITY EASEMENT
(BOSCH AVENUE, GARDEN FARMS AVENUE & OBERLIN AVENUE)

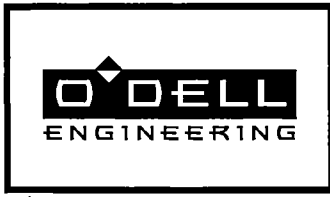
(See Attached)

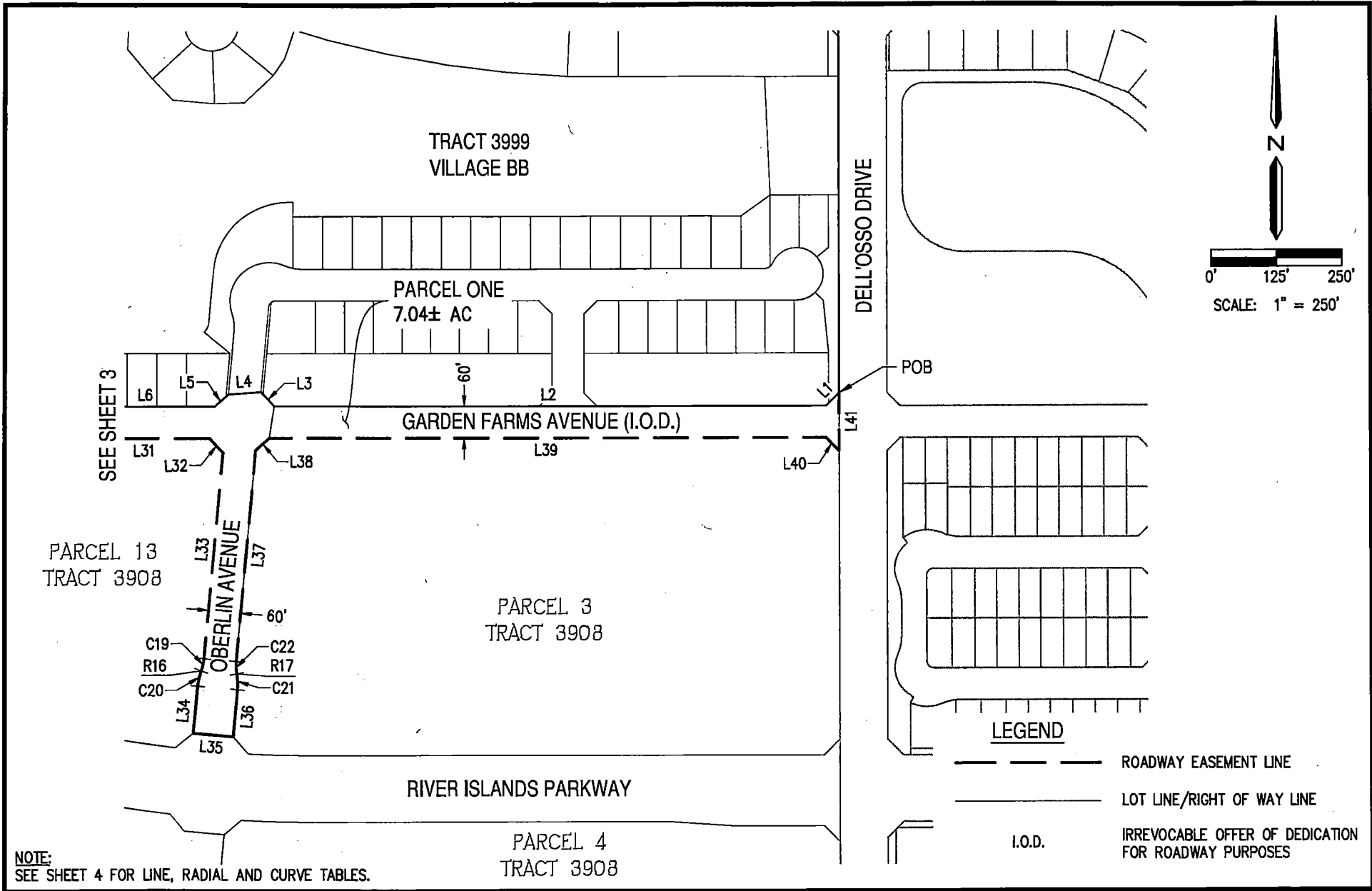


SCALE: 1" = 400'	
DRAWN BY: JJ	
FILE: 25502-3999 FM_PLAT_IOD.DWG	
DATE: 10/09/2018	SHEET: 1 OF 4

EXHIBIT A
RIVER ISLANDS - STAGE 2A VILLAGE BB
 TRACT 3999-OFFSITE ROADWAY EASEMENT
 IRREVOCABLE OFFER OF DEDICATION
 BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE
 SAN JOAQUIN COUNTY
 CALIFORNIA

CITY OF LATHROP

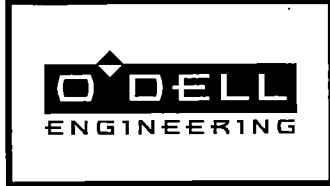


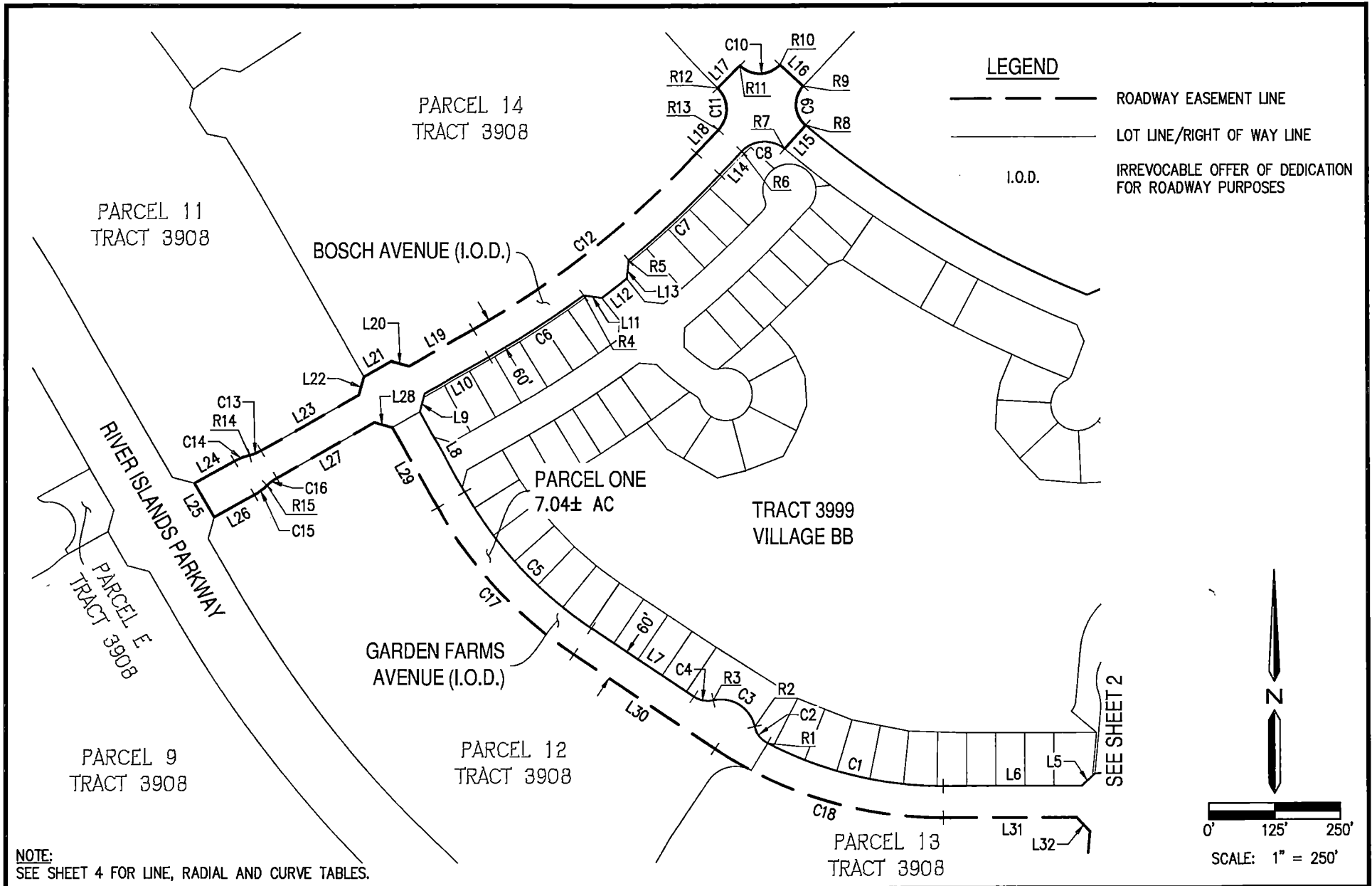


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FILE: 25502-3999_FM_PLAT_IOD.DWG	
DATE: 10/09/2018	SHEET: 2 OF 4

EXHIBIT A
RIVER ISLANDS - STAGE 2A VILLAGE BB
 TRACT 3999-OFFSITE ROADWAY EASEMENT
 IRREVOCABLE OFFER OF DEDICATION
 BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE
 SAN JOAQUIN COUNTY
 CALIFORNIA

CITY OF LATHROP

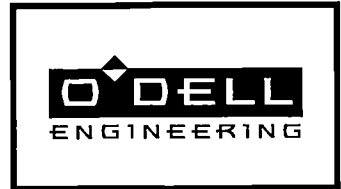




SCALE: 1" = 250'	
DRAWN BY: JJ	
FILE: 25502-3999_FM_PLAT_IOD.DWG	
DATE: 10/09/2018	SHEET: 3 OF 4

EXHIBIT A
RIVER ISLANDS - STAGE 2A VILLAGE BB
 TRACT 3999-OFFSITE ROADWAY EASEMENT
 IRREVOCABLE OFFER OF DEDICATION
 BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE
 SAN JOAQUIN COUNTY
 CALIFORNIA

CITY OF LATHROP



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N45°00'00"E	35.36'
L2	EAST	1043.40'
L3	N42°26'11"W	36.90'
L4	N85°47'09"E	60.81'
L5	N47°33'49"E	33.74'
L6	EAST	261.96'
L7	N56°01'54"W	233.44'
L8	N29°32'00"W	175.32'
L9	N15°28'00"E	35.36'
L10	N60°28'00"E	141.18'
L11	N82°06'37"W	34.83'
L12	N52°02'25"E	60.00'
L13	N6°11'27"E	34.83'
L14	N42°54'38"E	60.62'
L15	N41°38'18"E	60.01'
L16	N47°05'22"W	60.00'
L17	N44°10'58"E	60.01'
L18	N42°54'38"E	60.62'
L19	N60°28'00"E	141.18'
L20	N74°32'00"W	35.36'
L21	N60°28'00"E	60.00'
L22	N15°28'00"E	35.36'

LINE TABLE		
LINE	DIRECTION	LENGTH
L23	N60°28'00"E	214.00'
L24	N60°28'00"E	85.55'
L25	N29°32'00"W	74.00'
L26	N60°28'00"E	85.55'
L27	N60°28'00"E	214.00'
L28	N74°32'00"W	35.36'
L29	N29°32'00"W	175.32'
L30	N56°01'54"W	321.38'
L31	EAST	252.09'
L32	N42°26'11"W	36.90'
L33	N5°07'38"E	391.38'
L34	N5°07'38"E	89.24'
L35	N84°52'22"W	74.00'
L36	N5°07'38"E	89.24'
L37	N5°07'38"E	401.25'
L38	N47°33'49"E	33.74'
L39	EAST	1053.27'
L40	N45°00'00"W	35.36'
L41	NORTH	110.00'

CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	710.00	27°49'32"	344.81'
C2	47.00	49°57'55"	40.99'
C3	65.00	90°23'24"	102.54'
C4	47.00	46°34'03"	38.20'
C5	770.00	26°29'54"	356.11'
C6	1830.00	6°43'39"	214.87'
C7	1830.00	7°25'50"	237.33'
C8	58.00	87°35'04"	88.66'
C9	52.00	92°27'01"	83.91'
C10	52.00	92°27'01"	83.91'
C11	58.00	87°35'04"	88.66'
C12	1770.00	17°33'22"	542.35'
C13	87.00	15°12'13"	23.09'
C14	113.00	15°12'13"	29.98'
C15	113.00	15°12'13"	29.98'
C16	87.00	15°12'13"	23.09'
C17	830.00	26°29'54"	383.86'
C18	770.00	33°58'06"	456.50'
C19	87.00	15°12'13"	23.09'
C20	113.00	15°12'13"	29.98'
C21	113.00	15°12'13"	29.98'
C22	87.00	15°12'13"	23.09'

RADIAL TABLE	
LINE	DIRECTION
R1	N27°49'32"E
R2	N77°47'27"E
R3	N12°35'57"W
R4	N36°15'38"W
R5	N39°39'32"W
R6	N47°05'22"W
R7	N40°29'42"E
R8	N40°27'37"E
R9	N47°05'22"W
R10	N47°05'22"W
R11	N45°21'39"E
R12	N45°19'34"E
R13	N47°05'22"W
R14	N14°19'47"W
R15	N44°44'13"W
R16	N69°40'09"W
R17	N79°55'25"E

SCALE: NA
DRAWN BY: JJ
FILE: 25502-3999_FM_PLAT_I00.DWG
DATE: 10/09/2018
SHEET: 4 OF 4

EXHIBIT A
RIVER ISLANDS - STAGE 2A VILLAGE BB
 TRACT 3999-OFFSITE ROADWAY EASEMENT
 IRREVOCABLE OFFER OF DEDICATION
 BOSCH AVENUE, GARDEN FARMS AVENUE AND OBERLIN AVENUE
 SAN JOAQUIN COUNTY
 CALIFORNIA

CITY OF LATHROP

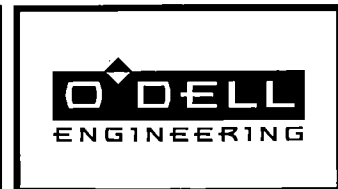


EXHIBIT J

UTILITY CAPACITY GUARANTEES

In accordance with the First Amendment to the 2003 Amended and Restated Development Agreement by and Between the City of Lathrop and Califa, LLC, ("DA"), SUBDIVIDER shall provide the following guarantees for wastewater treatment and recycled water capacity to utilize an additional 120,000 gallons per day of treatment capacity from the Lathrop Consolidated Treatment Facility ("CTF") on an interim basis. As a requirement for the additional 120,000 gpd of capacity to be utilized, the following conditions were to be satisfied prior to April 1, 2019:

1. Have fully constructed, inspected and dedicated to the City the following improvements:
 - The Paradise Road Sprayfield Expansion (also known as "Sprayfield A34") to accommodate 250,000 gpd of treatment capacity
 - Recycled Water Pipeline extensions to the Sprayfield Expansion as necessary
2. Provide any outstanding funding for RWQCB permits and/or authorizations to be completed by the City to allow use of Sprayfield A34.
3. Implement terms and conditions of the Second Amendment to the Sprayfield Lease Agreement between Califa, LLC and the City, including recordation of the Second Memorandum of Lease with Option to Purchase.

With the appropriate guarantees in place, SUBDIVIDER shall be allocated and allowed to use the first 120,000 gpd of the 650,000 gpd constructed at the CTF with SUBDIVIDER funding.

**JOINT ESCROW INSTRUCTIONS
RECORDATION OF FINAL MAPS
(RIVER ISLANDS AT LATHROP)**

ATTACHMENT "P"

November 19, 2018

Via Email and First Class Mail

Old Republic Title Company
3558 Deer Park Drive, Suite 103
Stockton, CA 95219
Attn: Karen Sayles

Re: Recordation of Final Map 3999; Escrow No. 1614020263

Dear Karen:

This letter constitutes the joint escrow instructions ("**Escrow Instructions**") of River Islands Development, LLC, a California limited liability company ("**RID**"), and the City of Lathrop ("**City**") in connection with the above-referenced escrow ("**Escrow**"). The Escrow was opened in connection with recordation of the above-referenced final map ("**Final Map**"). Recordation of the Final Map is subject to the conditions set forth below. The transactions described in these Escrow Instructions are referred to as the "**Transaction**." Old Republic Title Company is referred to as "you" or "**ORTC**."

A. Date for Closings

The Final Map will be recorded at the time designated by RID as set forth below. The Final Map can only be recorded after the City has approved the map in writing. The closing date for the Transaction is intended to occur by December 31, 2018, at the time designated in writing by RID, subject to satisfaction of the conditions set forth below (each a "**Closing**"). If the Final Map has not been recorded by June 30, 2019, ORTC will return the Final Map to the City.

B. Documents to be Delivered and Recordation Documents

In connection with the Transaction, you have in your possession or will receive the following documents from City for recordation in the Official Records of San Joaquin County, California ("**Official Records**").

B.1. One original Final Map for Tract 3999, executed and acknowledged by the City.

B.2. One original Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue and Oberlin Avenue.

The documents listed in Items B.1 and B.2 above are referred to as the "**Recordation Documents**." The Recordation Documents shall be recorded in the order referred to above. The date on which the Recordation Documents are recorded in the Official Records is the Recordation Date.

JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)

C. Funds and Settlement Statement

You also have received, or will receive from RID, prior to the recordation of the Recordation Documents, in immediately available funds, the following amounts, in accordance with the settlement statement prepared by you and approved in writing by both RID and City ("**Settlement Statement**"): recordation costs, escrow fees and other amounts as set forth in the Settlement Statement. Such costs, fees and other amounts are the sole responsibility of RID.

C.1 Funds to be wire transferred directly to the entity set forth below, immediately upon recordation of the Final Map, in accordance with the wire transfer instructions for each entity are set forth below:

- The amount of **\$125,470.04**, payable to the City pursuant to that certain Agreement to Settle Litigation Regarding River Islands at Lathrop, as amended ("**Sierra Club Agreement**"), constituting the amount of **\$3,076** multiplied by **40.79 acres** (or portion thereof) included in the Final Map, is to be transferred to the City upon recordation of the Final Map. The City's wire instructions are set forth below.

The amounts set forth in Section C are referred to as the "**Closing Funds**."

D. Closing Requirements

When the following has occurred, you are authorized to close the Escrow at the time(s) and in accordance with the process set forth below:

D.1. You have delivered copies of your Settlement Statement by email transmission to: Susan Dell'Osso (sdelloso@riverislands.com), Debbie Belmar (dbelmar@riverislands.com), Stephen Salvatore (ssalvatore@ci.lathrop.ca.us), Salvador Navarrete (snavarrete@ci.lathrop.ca.us), Cari James (cjames@ci.lathrop.ca.us) and Glenn Gebhardt (ggebhardt@ci.lathrop.ca.us), and have confirmation (by telephone or email) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt that the Settlement Statement is accurate and acceptable.

D.2. You have not received any instructions contrary to these Escrow Instructions.

D.3. The Recordation Documents and all other documents described herein as being held by you or delivered to you have been received by you and have been fully executed and, where applicable, acknowledged, and you have attached all legal descriptions or have confirmed that all exhibits and legal descriptions are attached.

D.4. You are prepared to record the Recordation Documents, as designated, release funds in accordance with the Settlement Statement and complete the Transaction in compliance with these Escrow Instructions.

D.5. You have delivered a copy of these instructions, executed by an authorized signatory of ORTC with authority to bind ORTC, and initialed all pages, by

JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)

email transmission (with original hard copy to follow by U.S. Mail) to Debbie Belmar and Glenn Gebhardt at the email addresses set forth above.

D.6. You have received confirmation (by email or other writing) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt to record the Recordation Documents and complete the Transaction.

E. Closing Process and Priorities

When you have fully satisfied all of the closing requirements set forth in Section D, then you are authorized and instructed to do the following in the chronological order given:

E.1. Date the Recordation Documents to be recorded.

E.2. Record the Recordation Documents in the Official Records.

E.3. Pay the costs associated with the Transaction.

E.4. Refund any funds delivered to you by RID that are not disbursed at the time of the final Closing pursuant to these Escrow Instructions to the following entity and address:

River Islands Development, LLC
73 W. Stewart Road
Lathrop, CA 95330
Attn: Susan Dell'Osso

E.5. Notify Susan Dell'Osso, Debbie Belmar, Stephen Salvatore, Glenn Gebhardt and Jose Molina (JMolina@sjpgov.org) of the completion of the Transaction.

E.6. Within five (5) business days after each Recordation Date, deliver by overnight delivery via recognized, national, overnight delivery carrier to: (1) Susan Dell'Osso, River Islands Development, LLC, 73 W. Stewart Road, Lathrop, CA 95330; and (2) Mr. Salvador Navarrete, City Attorney, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA 95330:

(A) A certified copy of the Recordation Documents, showing all recording information of the Recordation Documents; and

(B) A certified copy of the final Settlement Statement.

F. Additional Instructions

When assembling the final documents, signature pages from all parties shall be inserted into each respective final document in creating fully executed counterparts. Please acknowledge receipt of these instructions and your agreement to act as Escrow agent in connection with this Transaction in accordance with these Escrow Instructions, by executing and dating a copy of these Escrow Instructions where indicated below, initialing all pages and returning it to both of the undersigned.

**JOINT ESCROW INSTRUCTIONS
RECORDATION OF FINAL MAPS
(RIVER ISLANDS AT LATHROP)**

The Escrow Instructions may be modified only in a writing signed by both of the undersigned.

Very truly yours,

Stephen J. Salvatore Date
City Manager
City of Lathrop

Susan Dell'Osso Date
President
River Islands Development, LLC

**ESCROW INSTRUCTIONS
ACKNOWLEDGEMENT AND AGREEMENT:**

Receipt of the foregoing Escrow Instructions from RID and the City is hereby acknowledged. The undersigned agrees, for itself, and on behalf of ORTC, to proceed in strict accordance with these Escrow Instructions. The undersigned represents and warrants to RID and the City that the undersigned is authorized to execute this Acknowledgement and Agreement, for itself, and on behalf of ORTC.

Old Republic Title Company

By: _____
Its: _____
Date: _____

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ITEM 4.11

CITY MANAGER'S REPORT NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING

ITEM: APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 103 LOTS IN TRACT 4001 VILLAGE "AA" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

RECOMMENDATION: Adopt Resolution Approving Final Map for Tract 4001 Village "AA" within the Lakeside East District, Totaling 103 Single-Family Lots, Common Use Agreement with Island Reclamation District 2062 for a Portion of Riverfront Drive, Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue

SUMMARY:

On June 1, 2015, the City approved an amendment to Vesting Tentative Map Tract 3694 (VTM 3694), Phase 1 of River Islands at Lathrop that revised conditions of approval for new development within Phase 1. On July 18, 2018, the Lathrop Planning Commission approved a Neighborhood Design Plan and Architectural Guidelines, and Design Standards (AG/DS) for the Lakeside East District (also known as "Stage 2A") within Phase 1.

This proposed Final Map Tract 4001 for Anthem United Homes (Builder) will be the first tract map within the Village "AA" area. The builder is proposing one-hundred three (103) 50' x 100' single-family lots. A vicinity map is included as Attachment B.

Staff recommends that the City Council approve the proposed Final Map Tract 4001, Village "AA" within the Lakeside East District, totaling 103 single-family lots, Common Use Agreement with, Island Reclamation District 2062 for a portion of Riverfront Drive, Subdivision Improvement Agreement (Attachment C) with River Islands Development, LLC, and Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue.

BACKGROUND:

On March 27, 2007, the City Council approved VTM 3694 and amended VTM 3694 on June 1, 2015, with updated conditions of approval. Tract 4001 as proposed by River Islands Development, LLC (RID), as the subdivider, complies with the most current conditions of approval.

The land for Tract 4001 is within the geographic boundaries of VTM 3694 (Phase 1) first approved by Council on March 27, 2007, and amended on June 1, 2015, with updated conditions of approval.

CITY MANAGER'S REPORT **Page 2**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 4001 VILLAGE "AA" TOTALING 103 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

On August 25, 2016, the City Community Development Department approved a Finding of Substantial Conformance for VTM 3694 for the Stage 2A sub-planning area. This action allowed minor changes in the land use pattern for VTM 3694 at RID's request.

On July 9, 2018, the City Council approved Tract 3908, a large lot final map consistent with conditions of approval for VTM 3694. This large lot final map creates large "blocks" of land that are consistent with future proposed small lot final maps associated with the Lakeside East planning District. This provides RID the ability to process small lot final maps in an orderly fashion where one small map does not depend on another. The approval of Tract 3908 also required the posting of security for the construction of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary which provides the primary access from the existing River Islands development to Village AA and the rest of the Stage 2A sub-planning area.

On July 18, 2018, the Lathrop Planning Commission approved a Neighborhood Design Plan and Architectural Guidelines, and Design Standards (AG/DS) for the Lakeside East District (also known as "Stage 2A") within Phase 1. While the NDP contains conceptual guidance on parks within Lakeside East, a Master Parks Plan amendment that includes revisions to parks and open space to the Stage 2A area is pending Planning Commission action.

As required by the City's subdivision ordinance, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee certain off-site and on-site improvements. As a result, the SIA for Tract 4001 requires that security (bonds, cash or equivalent) are posted to guarantee unfinished infrastructure within Village "AA." As a result, a performance bond for \$586,362 has been posted as well as a labor and materials bond for \$293,181 has also been posted for performance bonds as security for all unfinished improvements within Village "AA."

The SIA also refers to the Agreement for Dedication, Inspection, and Guarantee of Streets and Public Improvements ("Off-site Agreement") that was first approved by the City on September 30, 2013, to the extent that the Off-site Agreement is still valid for certain improvements. Tract 4001 will not trigger any additional off-site improvements and the Off-site Agreement will apply to Tract 4001 as it has to all previous final maps in River Islands with no additional security for off-site improvements. Acceptance of all public improvements will be processed by staff at a later date when the unfinished improvements are complete. At that time, RID will be required to post one (1) year maintenance bonds as a warranty for the completed infrastructure.

As with all new development within Phase 1 of River Islands, the villages within Stage 2A are required to be annexed to the three different Community Facilities Districts (CFD's) for maintenance purposes in accordance with the Third Amendment to the River Islands Development Agreement. The CFDs are for the City, RD 2062 and River Islands Public Financing Authority (RIPFA) respectively, and the annexations for Villages U, V, T, AA, BB and Y recorded on November 2, 2018.

CITY MANAGER'S REPORT **Page 3**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 4001 VILLAGE "AA" TOTALING 103 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

To provide for secondary access to Village "AA," Irrevocable Offers of Dedication (IOD) will be necessary for Riverfront Drive and Bosch Avenue. These IODs are attached as Exhibit I of the SIA, included as Attachment C.

There is also a need for a Common Use Agreement (CUA) between City and Reclamation District No. 2062 (RD 2062), since a small portion of Riverfront Drive shares an area with the easements recorded in favor of RD 2062 for the Stage 2A levee system. There is also an RD 2062 lake fill pipeline that will be located in Riverfront Drive as well. The CUA (included as Attachment E) addresses the terms and conditions to which RD 2062 can install, operate and maintain its facilities, which protects the City's street and other utilities that are located in Riverfront Drive.

Finally, before Final Map Tract 4001 is recorded, RID must also satisfy the Escrow Instructions (Attachment D) that guarantee all fees required in the Sierra Club Agreement are paid.

REASON FOR RECOMMENDATION:

The applicant has completed most of street and utility improvements within Village "AA" with some minor improvements left remaining. RID has posted security with the City for the unfinished improvements as required by the SIA. RID shall also provide a 10% maintenance bond to guarantee the full improvements (completed and uncompleted) for one year once the striping is completed. Prior to acceptance of these improvements, RID has provided the tract map, the tract improvement plans, all required documents and all fees for Tract 4001.

Following is a summary of documents and fees related to this subdivision:

Documents	Status
1. Final Map ready for signature	Completed
2. Subdivision Improvement Agreement	Completed
3. Performance Security – Uncompleted Landscaping and Miscellaneous Improvements provided with Tract 4001	Completed
4. Labor and Materials Security – Uncompleted Landscaping and Miscellaneous Improvements provided with Tract 4001	Completed
5. Street Improvement, Landscape Plans	Completed
6. Street Light, Joint Trench Plans	Completed
7. Geotechnical Report	Completed
8. Agreement for Backbone Improvements and Parks (Agreement for Dedication, Inspection and Guarantee of Streets and Public Improvements)	Completed

CITY MANAGER'S REPORT **Page 4**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 4001 VILLAGE "AA" TOTALING 103 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

9.	Approval of 3 rd Amendment to Development Agreement that guarantees creation of CFD for City Maintenance and Shortfalls, and Guarantee of Developer CFDs for Developer/other public agency Maintenance	Completed
10.	Allocation of Water and Sewer capacity	Completed
11.	Recommendation for approval from Stewart Tract Design Review Committee	Completed
12.	Submitted Certificate of Insurance, Tax Letter	Completed
13.	Submitted Preliminary Guarantee of Title	Completed
14.	Escrow Instructions	Completed
15.	Lathrop Community Facilities District (CFD's)	Annexed with FM 3989 on October 10, 2018
16.	Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue	Approval Pending with this item
17.	Common Use Agreement between City and RD 2062 for improvements on Riverfront Drive	Approval Pending with this item
Fees		Status
1.	Final Map plan check fee	Paid
2.	Improvement Plans - Plan check and inspection fees	Paid
3.	Sierra Club Settlement fee	To be paid in escrow

The above-noted documents and fees are required by the VTM 3694 conditions of approval prior to approval of the Final Map by City Council. The guarantee is in the form of the Subdivision Improvement Agreement with security and improvement plans.

Extensive off-site improvements to serve this Tract 4001 have already been completed including construction of levees, participation in construction of a Wastewater Treatment Plant (Consolidated Treatment Facility) and related storage ponds and sprayfields, purchase of SSJID surface water and construction of utility infrastructure to serve the proposed Tract. Additional off-site improvements that are required to serve this Final Map are detailed in the Off-site Agreement approved by the City Council in 2014.

Before the Final Maps are recorded, RID must also satisfy the Escrow Instructions (Attachment D) that guarantee all required payments to the Sierra Club are made under the terms of the 3rd Amendment to the Development Agreement.

CITY MANAGER'S REPORT **Page 5**
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 4001 VILLAGE "AA" TOTALING 103 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

BUDGET IMPACT:

There is no budget impact to the City. All City costs are covered by development fees, and any shortfalls in City maintenance and operating costs are covered by the CFD's for maintenance. RID is also providing funds necessary to defray any staff time required to process their request.

ATTACHMENTS:

- A. Resolution Approving Final Map for Tract 4001 Village "AA" within the Lakeside East District, Totaling 103 Single-Family Lots, Common Use Agreement with Island Reclamation District 2062 for Portion of Riverfront Drive, Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue
- B. Village "AA" Vicinity Map
- C. Subdivision Improvement Agreement between the City of Lathrop and River Islands Development, LLC, a California limited liability company, for Tract 4001, Village "AA" (Includes Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue)
- D. Escrow Instructions for Final Map Tract 4001 Village "AA"
- E. Common Use Agreement for Riverfront Drive

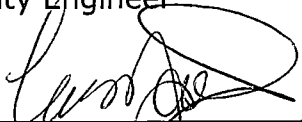
CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
FINAL MAP FOR TRACT 4001 VILLAGE "AA" TOTALING 103 SINGLE-FAMILY
LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC

APPROVALS




Glenn Gebhardt
City Engineer

11/8/18
Date




Cari James
Finance Director

11/14/18
Date



Salvador Navarrete
City Attorney

11-8-18
Date



Stephen J. Salvatore
City Manager

11.14.18
Date

RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING FINAL MAP FOR TRACT 4001 VILLAGE "AA" WITHIN THE LAKESIDE EAST DISTRICT, TOTALING 103 SINGLE-FAMILY LOTS, COMMON USE AGREEMENT WITH ISLAND RECLAMATION DISTRICT 2062 FOR A PORTION OF RIVERFRONT DRIVE, SUBDIVISION IMPROVEMENT AGREEMENT WITH RIVER ISLANDS DEVELOPMENT, LLC, IRREVOCABLE OFFER OF DEDICATION FOR RIVERFRONT DRIVE AND BOSCH AVENUE

WHEREAS, on March 27, 2007, the City Council approved Vesting Tentative Map No. 3694 (VTM 3694) with Conditions of Approval for a residential and commercial development that is consistent with the West Lathrop Specific Plan (WLSF) and the River Islands Urban Design Concept (UDC); and

WHEREAS, on June 1, 2015, the City Council approved amendments to the VTM, WLSF and UDC, with amended conditions of approval; and

WHEREAS, on August 25, 2016, the City Community Development Department approved a Finding of Substantial Conformance for VTM 3694 for the Stage 2A sub-planning area that allowed minor changes in the land use pattern for VTM 3694 and the approval final maps within Stage 2A; and

WHEREAS, Tract 4001, the proposed subdivision, is part of the Lakeside East District of River Islands as described in the UDC, consisting of 103 lots covered by VTM 3694; and

WHEREAS, in its review of Tract 4001, the Stewart Tract Design Review Committee recommended approval of Tract 4001 on October 11, 2018; and

WHEREAS, River Islands Développement, LLC (RID), has completed or has guaranteed completion of all public improvements on Tract Map 4001, as identified on the approved improvement plans, and has completed or guaranteed completion of all required documents and payment of all fees; and

WHEREAS, a Subdivision Improvement Agreement between the City and RID, and provision of security by RID for unfinished and deferred improvements, are required prior to final map approval per the Lathrop Municipal Code Section 16.16.190; and

WHEREAS, upon acceptance of all improvements as complete, a one-year maintenance and repair bond will be required to secure the RID obligation to maintain all improvements and repair or correct any defective work; and

WHEREAS, several conditions of approval of VTM 3694 are satisfied by the 3rd Amendment to the Development Agreement between the City and Califia, LLC, which the City Council approved on October 7, 2013; and

WHEREAS, off-site improvements necessary for access to Village AA and Tract 4001 were guaranteed with performance and labor and materials bonds posted by RID; and

WHEREAS, City staff has confirmed that all Conditions of Approval of VTM 3694 required for approval of Final Map 4001 have been met, including those Conditions of Approval satisfied under the Subdivision Improvement Agreement and Off-Site Agreement; and

WHEREAS, the City Engineer has confirmed that the Final Map for Tract 4001 is substantially the same as it appeared on VTM 3694, is technically correct, and complies with the requirements of the Subdivision Map Act and Lathrop Municipal Code, Chapter 16.16; and

WHEREAS, RID will satisfy all escrow requirements prior to recordation of the Final Map for Tract 4001; and

WHEREAS, secondary access to Tract 4001 and Village AA is necessary through Riverfront Drive and Bosch Avenue, and an Irrevocable Offer of Dedication ("IOD") is necessary to provide this access, with the IOD; and

WHEREAS, a Common Use Agreement ("CUA") is necessary between the City and Island Reclamation District 2062 ("RD 2062") for improvements owned and operated by RD 2062 that transverse City right of way of Riverfront Drive, dedicated with the Final Map for Tract 4001; and

WHEREAS, the CFDs (Villages U, V, T, AA, BB and Y) annexations for the City, RD 2062 and River Islands Public Financing Authority (RIPFA) respectively, and the recorded on November 2, 2018; and

WHEREAS, Capital Facilities Fees are not required until such time as the builder applies for building permits.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Lathrop approves the following actions:

1. That the Final Map for Tract 4001 Villages "AA" is hereby approved as submitted as part of the public record with the San Joaquin County Assessor/Recorder/County Clerk Office, the file executed copy will be filed with the City Clerk.
2. That the City Manager, or his designee, is authorized to execute and file with the City Clerk a Subdivision Improvement Agreement with River Islands Development, LLC, and Common Use Agreement with Island Reclamation District 2062 for a Portion of Riverfront Drive, and Irrevocable Offer of Dedication for Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue in substantially the form as attached to the November 19, 2018 staff report.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 19th day of November, 2018, by the following vote:

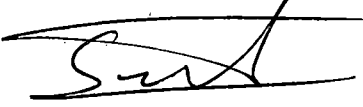
AYES:
NOES:
ABSTAIN:
ABSENT:

Sonny Dhaliwal, Mayor

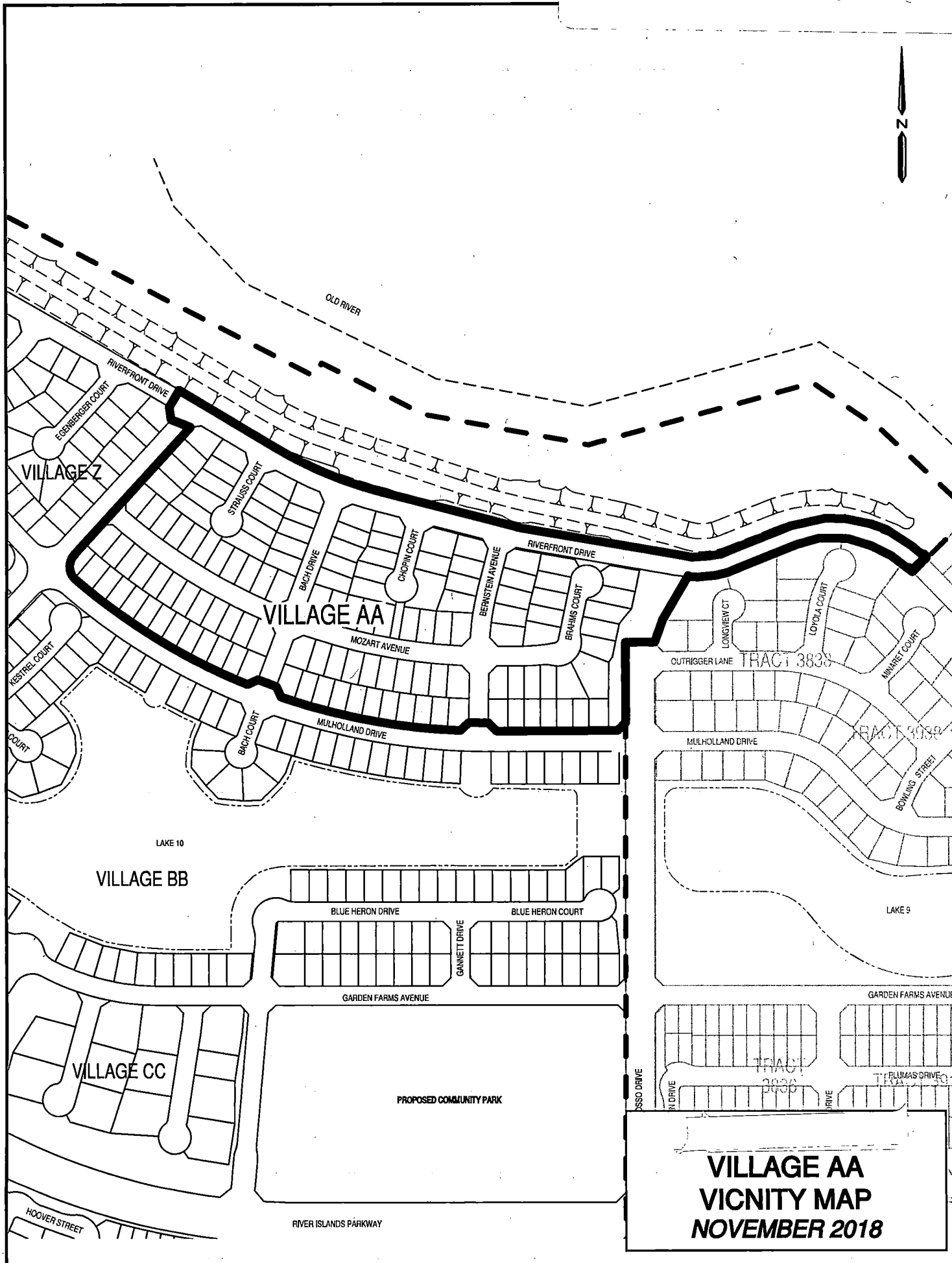
ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney



**VILLAGE AA
VICINITY MAP
NOVEMBER 2018**

SUBDIVISION IMPROVEMENT AGREEMENT**BETWEEN THE CITY OF LATHROP AND****RIVER ISLANDS (LAKESIDE EAST DISTRICT) – TRACT 4001, VILLAGE “AA”****RIVER ISLANDS DEVELOPMENT, LLC,****A CALIFORNIA LIMITED LIABILITY COMPANY**

RECITALS

A. This Agreement is made and entered into this **19th day of November, 2018**, by and between the CITY OF LATHROP, a municipal corporation of the State of California (hereinafter “CITY”), and River Islands Development, LLC, a California limited liability company (hereinafter “SUBDIVIDER”).

B. At its meeting on May 15, 2017, CITY approved the temporary closure of Cohen and Paradise Roads associated with construction and grading activities in Stage 2 of River Islands. This approval requires SUBDIVIDER to construct a paved public roadway to connect any remaining gaps between the Paradise Road and Stewart Road intersection and the Somerston Parkway/River Islands Parkway intersection by August 1, 2020. As a result, previously provided security in the form of a Letter of Guarantee from the River Islands Public Financing Authority (“RIPFA”) has guaranteed the replacement of Cohen Road and Paradise Road with a set aside of bond proceeds (Exhibit G) in the amount of \$543,600, that is available to CITY if SUBDIVIDER does not meet the deadline of August 1, 2020. Further, the amount of set aside bond proceeds shall be reduced by the City Engineer as River Islands Parkway is extended to replace these removed roadways. The closed portion of Stewart Road is not anticipated to be replaced, but it remains for now as legal access to parcels fronting Stewart Road and as emergency access. The security referenced in this recital shall remain in place for this final map and all final maps associated with this access until it is no longer necessary.

C. At its meeting on July 9, 2018, CITY approved the Tract 3908 large lot final map which includes the Village “AA” area within Stage 2A of River Islands. The approval of Tract 3908 required security for the construction of River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary. As a result, previously provided security in the form of a Letter of Guarantee from the River Islands Public Financing Authority (“RIPFA”) has guaranteed the construction of River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary with a set aside of bond proceeds (Exhibit H) in the amount of \$450,000, that is available to CITY if SUBDIVIDER does not meet a September 30, 2019, deadline or as may be extended by CITY. The security referenced in this recital shall remain in place for this final map and all final maps associated with it until River Islands Parkway from Dell’Osso Drive to the Stage 2B boundary is fully constructed and accepted into use by CITY.

D. Pursuant to Division 2 of Title 7 of the Government Code of the State of California and CITY's Subdivision Regulations (City of Lathrop, Code of Ordinances, Chapter 16), SUBDIVIDER is required to make dedications and improve Tract 4001. However, SUBDIVIDER has completed a significant portion of public infrastructure improvements associated with Tract 4001 (Village "AA") located within the Lakeside East District of River Islands Phase 1, which also includes major streets necessary to access the site. The unfinished portion of improvements total \$586,362 (\$488,635 plus a 20% contingency) and both performance and labor and materials security is required by the Lathrop Subdivision Ordinance and the Subdivision Map Act will be posted as outlined in this Tract 4001 (Village "AA") Subdivision Improvement Agreement.

E. SUBDIVIDER has completed almost the entirety of the joint trench improvements for Tract 4001 and as noted in Recital D security shall be required for the unfinished portion of these improvements along with other required infrastructure associated with Tract 4001 and Village "AA" overall. Improvement plans and street light plans prepared by Power Systems Design, Inc., have already been approved by CITY. The street, sidewalk, underground utility, storm drainage, street light, and joint trench improvements (hereinafter "Improvements") are substantially completed and minor improvements not yet constructed as part of the required infrastructure for Tract 4001 are required security as outlined in this Agreement.

F. Access to Tract 4001 and Village "AA" requires an Irrevocable Offer of Dedication for Easement for Roadway Purposes ("IOD") for Riverfront Drive and Bosch Avenue that is not included for dedication with the recordation of Tract 4001. Therefore, this IOD shall be required in addition to the dedications of right of way required with the approval of the final map for Tract 4001 and shall be recorded concurrently with the final map. This IOD is included Exhibit H to this Agreement.

G. Since Village "AA" contains a public street that includes improvements of Island Reclamation District 2062 ("RD 2062"), including levee improvements, a Common Use Agreement ("CUA") between CITY and RD 2062 is required to delineate the rights and obligations of these agencies regarding CITY's public street and RD 2062's improvements. The CUA is included and incorporated into this Agreement as Exhibit J.

NOW THEREFORE, in consideration of CITY's pending approval and acceptance of the Improvements upon their satisfactory completion, and in consideration of SUBDIVIDER's construction of Improvements in strict accordance with the terms of this Agreement, all applicable laws, statutes, ordinances, rules, and regulations currently in force and effect in CITY, the terms and conditions of which are incorporated herein by this reference, the parties hereto mutually covenant and agree as follows:

1. SUBDIVIDER shall complete construction of, or cause construction to be completed at its sole cost and expense, the Improvements for all of the lots within the Lakeside East neighborhood, to the limits identified on Exhibit A including the public landscaping, streetlight, and joint trench improvements.

All improvements shall be constructed to the satisfaction and approval of the City Engineer, in a good and workmanlike manner in accordance with the above-referenced improvement plans and specifications, the improvement standards and specifications of CITY's Department of Public Works, the applicable Ordinances of the City of Lathrop, and the California Subdivision Map Act.

2. SUBDIVIDER shall complete the Improvements, including all deferred and unfinished improvements, prior to December 1, 2019.

3. CITY, or its agent(s), shall at any time during the progress of the Improvements have free access thereto and shall be allowed to examine the same and all material to be used therein. If the Improvements or any part thereof are not completed in strict compliance with the standards set forth in Paragraph 1 above, CITY may refuse to accept and may reject the defective Improvements and/or materials therein.

4. SUBDIVIDER shall secure the services of skilled personnel necessary to construct the Improvements. CITY is not skilled in these matters and relies upon the skill of SUBDIVIDER to ensure that the construction of the Improvements is in the most skillful and durable manner.

5. CITY's acceptance of the Improvements does not operate as a release of SUBDIVIDER from any guarantee hereunder.

6. SUBDIVIDER guarantees and warrants that the Improvements shall be constructed in compliance with the standards set forth in Paragraph 1 above, free from any defects in work or labor done and from any defects in materials furnished. Further, SUBDIVIDER shall repair and maintain the Improvements in good condition and in accordance with CITY specifications for one (1) year after CITY's acceptance of the Improvements. As required by this Agreement, prior to acceptance of the Improvements, SUBDIVIDER shall deposit with the City Engineer a Maintenance Bond in the amount of \$236,334, equal to 10% of the estimated cost of the Improvements for the Village "AA" entire area (\$2,363,335) as included in the Engineer's estimate attached to this Agreement as Exhibit F, to insure SUBDIVIDER's repair and maintenance of the Improvements in accordance with the terms of this Agreement. The Maintenance Bond shall be released at the end of the one-year guarantee period provided no claims against it are then outstanding.

7. Because some of the backbone improvements referenced in Recitals B and C are required to provide access and to Tract 4001 and are associated with adjacent tracts as otherwise described in this Agreement, as well as the "Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements ("2013 Agreement"), approved by CITY on September 30, 2013, the security required by the 2013 Agreement shall remain in place for the following:

Rehabilitation of the pavement on Stewart/Cohen and Paradise Roads within the limits of Stewart Tract, as detailed on the attached Exhibit "D" and rehabilitation is guaranteed by a performance bond. Full improvement and acceptance of these streets shall be completed prior to release of security previously posted by SUBDIVIDER.

8. If SUBDIVIDER, in whole or in part, abandons the Improvements, unnecessarily, or unreasonably delays construction of the Improvements, fails to complete construction of the Improvements within the time specified in this Agreement, or fails to repair, replace, or reconstruct any defects, as set forth in Paragraph 6 above, CITY may, but is not required to, proceed to complete and/or repair, replace, or reconstruct the Improvements, either by itself or by contract for such service, and CITY may cause to be forfeited such portion of any security deposited therein as is necessary to cover the costs of completion, repair, replacement, or reconstruction incurred by CITY. Once action is taken by CITY to complete, repair, replace, and/or reconstruct the Improvements, SUBDIVIDER shall be responsible for all costs incurred by CITY, even if SUBDIVIDER subsequently completes the work.

CITY shall have recourse against SUBDIVIDER for any and all amounts necessary to complete the obligations of SUBDIVIDER in the event the security (including but not limited to any Letter of Guarantee, Certificate of Deposit, cash, bond for performance, labor and materials and repair and maintenance, letter of credit or cash deposit) therefore is insufficient to pay such amounts. All administrative costs, including reasonable attorney's fees pursuant to Government Code Section 66499.4, incurred by CITY in addition to the costs of the improvements shall be a proper charge against the security and SUBDIVIDER. In the event it becomes necessary for CITY to bring an action to compel performance of this Agreement or to recover costs of completing such improvements, SUBDIVIDER shall pay reasonable attorney's fees, costs of suit, and all other expenses of litigation incurred by CITY in connection therewith.

9. Because the Improvements are not entirely complete, SUBDIVIDER is required to only post Performance or Labor & Materials bonds to guarantee the unfinished improvements associated with Tract 4001 and Tract 3992 as included and described in Exhibit E of this Agreement. The amount of the security shall be equal to a performance bond equal to 120% of the amount of unfinished improvements as shown in Exhibit E ($\$488,635 \times 120\% = \$586,362$ – performance bond amount) as indicated in Recital D. The corresponding labor and materials bond amount shall be 50% of the performance bond amount ($\$586,362 \times 50\% = \$293,181$) also as indicated in Recital D. Further, SUBDIVIDER shall also comply with CITY's insurance requirements set forth on Exhibit C attached hereto and incorporated herein.

10. Any alteration(s) made to the plans and specifications which are a part of this Agreement or any provision of this Agreement shall not operate to release any surety or sureties from liability on any bond or bonds attached hereto and made a part thereof. The above-referenced sureties hereby consent to such alterations and waive the provisions of California Civil Code Section 2819.

11. Neither CITY nor any of its officers, employees, or agents shall be liable to SUBDIVIDER, and/or SUBDIVIDER's agents, contractors, or subcontractors for any error or omission arising out of or in connection with any work to be performed under this Agreement.

12. Neither CITY nor any of its officers, employees, or agents shall be liable to SUBDIVIDER or to any person, entity, or organization for any injury or damage that may result to any person or property by or from any cause in, on, or about the subdivision of all or any part of the land covered by this Agreement.

13. SUBDIVIDER hereby agrees to, and shall hold CITY, its elective and appointive boards, commissions, officers, agents, and employees (collectively "Indemnitees") harmless from any liability for damage or claims which may arise from SUBDIVIDER and/or SUBDIVIDER's contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by SUBDIVIDER or by any SUBDIVIDER contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, SUBDIVIDER or any of SUBDIVIDER's contractors or subcontractors. SUBDIVIDER shall, at its own cost and expense, defend any and all actions, suits, or legal proceedings or any type that may be brought or instituted against CITY and indemnities on any claim or demand, of any nature whatsoever, and pay or satisfy any judgment that may be rendered against CITY and the Indemnitees in any such action, suit, or legal proceedings resulting from or alleged to have resulted from SUBDIVIDER's performance or non-performance of its duties and obligations under this Agreement or from the negligent act or omission of itself, its agents, contractors, representatives, servants, or employees. The promises and Agreement to indemnify and hold harmless set forth in this section is not conditioned or dependent on whether or not any indemnity has prepared, supplied, or approved any plan or specification in connection with this work or subdivision, whether or not any such indemnity has insurance or indemnification covering any of these matters. CITY does not and shall not waive any rights against SUBDIVIDER which it may have by reason of the aforesaid hold harmless agreement because of the acceptance by CITY of any deposit with CITY by SUBDIVIDER. The aforesaid hold harmless agreement by SUBDIVIDER shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph, regardless of whether or not CITY has prepared, supplied, or approved of plans and/or specifications for the subdivision.

14. Neither SUBDIVIDER nor any of SUBDIVIDER's agents, contractors, or subcontractors are, or shall be, considered to be agents of CITY in connection with the performance of SUBDIVIDER's obligations under this Agreement.

15. Prior to acceptance of the Improvements by the City Council, SUBDIVIDER shall be solely responsible for maintaining the quality of the Improvements and maintaining safety at the project site. SUBDIVIDER's obligation to provide the Improvements shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied, all outstanding fees and charges have been paid, and the City Council has accepted the Improvements as complete. CITY and SUBDIVIDER have formed Community Facilities Districts (CFDs) to finance maintenance and improvements. CITY expects to preserve the ability to use future special taxes of the CFD for payment of the cost of acquisition of the Improvements, which may require that acceptance of improvements by CITY be subject to the provisions of an acquisition agreement to be entered into by CITY and SUBDIVIDER providing that CITY expects to be paid or reimbursed acquisition costs through future CFD special taxes. SUBDIVIDER shall cooperate to facilitate such method of acquisition.

16. SUBDIVIDER shall pay service fees for the utility services from the time the Improvements are accepted by CITY to the end of the fiscal year, or up to a one (1) year period, whichever is needed to ensure an opportunity for the Improvements to be included in the next fiscal year annual assessment.

17. SUBDIVIDER shall be responsible to sweep streets within the subdivision every two weeks as directed by the City Engineer on all streets where lots are occupied and all streets providing access to occupied lots until the Improvements are accepted by CITY.

18. SUBDIVIDER shall not assign this Agreement without the prior written consent of CITY. If such consent is given, the terms of this Agreement shall apply to and bind the heirs, successors, executors, administrators, and assignees of SUBDIVIDER; and any heirs, successors, executors, administrators, and assignees of SUBDIVIDER and shall be jointly and severally liable hereunder.

19. SUBDIVIDER shall, at SUBDIVIDER's expense, obtain and maintain all necessary permits and licenses for construction of the Improvements. Prior to the commencement of Improvement construction, SUBDIVIDER shall obtain a City of Lathrop Business License. SUBDIVIDER shall comply with all local, state, and federal laws whether or not said laws are expressly stated in this Agreement.

20. This Agreement and any amendments hereto comprise the entire understanding and agreement between the parties regarding the improvements to be constructed and dedications for Tract 4001 and Tract 4002.

21. The following miscellaneous provisions are applicable to this Agreement:

a. Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.

b. Definitions. The definitions and terms are as defined in this Agreement.

c. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement which directly results from an Act of God or an act of a superior governmental authority.

d. Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

e. Incorporation of Documents. All documents referred to herein and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated herein and shall be deemed to be part of this Agreement.

f. Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.

- g. **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- h. **Successors and Assigns.** Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- i. **Time of the Essence.** Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any day observed as a legal holiday by CITY, the time for performance shall be extended to the following business day.
- j. **Venue.** In the event either party brings that suit hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin.

ATTACHMENTS:

- EXHIBIT A FINAL MAP - TRACT 4001
EXHIBIT B TRACT 4001 AND VILLAGE "AA" AREA
EXHIBIT C: CITY INSURANCE REQUIREMENTS
EXHIBIT D: COHEN/PARADISE/STEWART REHABILITATION MAP
EXHIBIT E: UNFINISHED IMPROVEMENT COST ESTIMATE
EXHIBIT F: VILLAGE "AA" IMPROVEMENTS ENGINEER'S ESTIMATE
EXHIBIT G: RIPFA LETTER OF GUARANTEE - INTERIM PUBLIC ACCESS WITHIN
THE STAGE 2A DEVELOPMENT AREA
EXHIBIT H: RIPFA LETTER OF GUARANTEE - RIVER ISLANDS PARKWAY WITHIN
THE STAGE 2A DEVELOPMENT AREA
EXHIBIT I: IRREVOCABLE OFFER OF DEDICATION - RIVERFRONT DRIVE & BOSCH
AVENUE
EXHIBIT J: COMMON USE AGREEMENT BETWEEN CITY AND RD 2062 -
RIVERFRONT DRIVE
-

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 19th day of November, 2018, at Lathrop, California.

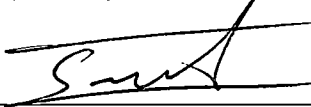
ATTEST: TERESA VARGAS
City Clerk of and for the City
of Lathrop, State of California

CITY OF LATHROP, a
municipal corporation of the
State of California

BY: _____
Teresa Vargas Date
City Clerk

BY: _____
Stephen J. Salvatore Date
City Manager

APPROVED AS TO FORM

BY:  _____ 11-8-18
Salvador Navarrete Date
City Attorney

River Islands Development, LLC
a California limited liability company

BY: _____
Susan Dell'Osso Date
President
"SUBDIVIDER"

EXHIBIT A

FINAL MAP - TRACT 4001

OWNER'S STATEMENT

THE UNDERSIGNED, DOES HEREBY STATE THAT THEY ARE THE OWNERS OF ALL THE LAND DELINEATED AND EMBRACED WITHIN THE EXTERIOR BOUNDARY LINE OF THE HEREIN EMBODIED FINAL MAP ENTITLED, "TRACT 4001, RIVER ISLANDS, STAGE 2A, VILLAGE AA", CITY OF LATHROP, CALIFORNIA, CONSISTING OF FIFTEEN (15) SHEETS, AND WE HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS FINAL MAP IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, CALIFORNIA.

THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE CITY OF LATHROP FOR PUBLIC RIGHT-OF-WAY PURPOSES, THOSE PORTIONS OF SAID LANDS DESIGNATED ON SAID MAP AS WQZART AVENUE, RIVERFRONT DRIVE, STRAUSS COURT, CHOPIN COURT, BACH DRIVE, AND BERNSTEIN AVENUE, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, NON-POTABLE WATERLINE FACILITIES AND THEIR APPURTENANCES, UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "WATERLINE EASEMENT" (W.L.E.).

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT FOR THE RIGHT OF PUBLIC INGRESS AND EGRESS UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "P.A.E." (PUBLIC ACCESS EASEMENT).

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, POLES, WIRES, CABLES, PIPES, AND CONDUITS AND THEIR APPURTENANCES UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "P.U.E." (PUBLIC UTILITY EASEMENT).

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS A AND C FOR PARK PURPOSES, INCLUDING PUBLIC UTILITIES, STORM DRAIN FACILITIES, SANITARY SEWER FACILITIES, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCEL B FOR PURPOSES OF OPEN SPACE, INCLUDING PUBLIC UTILITIES, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS D AND E FOR PURPOSES OF OPEN SPACE, AND APPURTENANCES THERETO, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RELINQUISH TO THE CITY OF LATHROP ALL ABUTTERS RIGHT OF ACCESS TO LOTS 1, 5, 14, 15, 24, 29, 30, 35, 44, 51, 56, 65, 66, 76, 77, 88, AND 100, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL ||||| AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RESERVE THE NON-EXCLUSIVE "LAKE FILL PIPELINE EASEMENT", TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, THE LAKE FILL PIPELINE AND THEIR APPURTENANCES, UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "LAKE FILL PIPELINE EASEMENT". THIS EASEMENT IS NOT DEDICATED HEREON, BUT WILL BE CONVEYED TO RIVER ISLANDS PUBLIC FINANCING AUTHORITY BY SEPARATE INSTRUMENT SUBSEQUENT TO THE FILING OF THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RESERVE PARCEL 1 FOR FUTURE DEVELOPMENT.

OWNER: RIVER ISLANDS DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

BY: _____ DATE _____
 NAME: SUSAN DELL'OSSO
 ITS: PRESIDENT

DATED THIS ____ DAY OF _____, 201__.

OLD REPUBLIC TITLE COMPANY, AS TRUSTEE, UNDER THE DEED OF TRUST RECORDED DECEMBER 22, 2016, AS DOCUMENT NUMBER 2016-160886, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

BY: _____
 NAME: _____
 ITS: _____

SECRETARY OF THE PLANNING COMMISSION'S STATEMENT

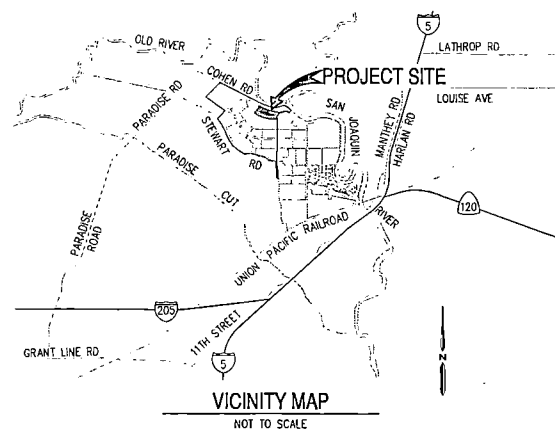
THIS MAP CONFORMS TO TENTATIVE MAP NO. 3694 APPROVED BY THE PLANNING COMMISSION.

DATED THIS ____ DAY OF _____, 201__.

MARK WEISSNER, COMMUNITY DEVELOPMENT DIRECTOR
 CITY OF LATHROP

**TRACT 4001
 RIVER ISLANDS - STAGE 2A
 VILLAGE AA**

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
 OCTOBER 2018



ACKNOWLEDGEMENT CERTIFICATE (OWNER'S)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA }
 COUNTY OF SAN JOAQUIN }

ON _____, 201__ BEFORE ME, _____
 A NOTARY PUBLIC, PERSONALLY APPEARED, _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: _____
 NAME (PRINT): _____
 PRINCIPAL COUNTY OF BUSINESS: _____
 MY COMMISSION NUMBER: _____
 MY COMMISSION EXPIRES: _____

ACKNOWLEDGEMENT CERTIFICATE (TRUSTEE)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA }
 COUNTY OF SAN JOAQUIN }

ON _____, 201__ BEFORE ME, _____
 A NOTARY PUBLIC, PERSONALLY APPEARED, _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: _____
 NAME (PRINT): _____
 PRINCIPAL COUNTY OF BUSINESS: _____
 MY COMMISSION NUMBER: _____
 MY COMMISSION EXPIRES: _____

CITY CLERK'S STATEMENT

I, TERESA VARGAS, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, STATE OF CALIFORNIA, DO HEREBY STATE THAT THE HEREIN EMBODIED MAP ENTITLED "TRACT 4001, RIVER ISLANDS, STAGE 2A, VILLAGE AA", CITY OF LATHROP, CALIFORNIA, CONSISTING OF FIFTEEN (15) SHEETS, THIS STATEMENT WAS PRESENTED TO SAID CITY COUNCIL, AS PROVIDED BY LAW, AT A MEETING THEREOF, HELD ON THE ____ DAY OF _____, 201__, AND THAT SAID CITY COUNCIL DID THEREUPON BY RESOLUTION NO. _____ DULY PASSED AND ADOPTED AT SAID MEETING, APPROVE SAID MAP, AND AUTHORIZED ITS RECORDATION, AND ACCEPTED ON BEHALF OF THE CITY OF LATHROP, FOR PUBLIC USE, THE DEDICATION OF ALL PUBLIC UTILITY EASEMENTS, WATER LINE EASEMENT, PUBLIC ACCESS EASEMENT, PARCELS A THROUGH E, AND THE RELINQUISHMENT OF ACCESS RIGHTS TO LOTS 1, 5, 14, 15, 24, 29, 30, 35, 44, 51, 56, 65, 66, 76, 77, 88 AND 100, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL |||||; AND REJECTED THE OFFER OF DEDICATION OF THE PUBLIC UTILITY EASEMENT ACROSS PARCEL D, AND THE PUBLIC ACCESS EASEMENT, WATERLINE EASEMENT, AND PUBLIC UTILITY EASEMENT ACROSS PARCEL E, WITH A RESERVATION OF THE RIGHT TO ACCEPT THE DEDICATION OF THE PUBLIC UTILITY EASEMENT ACROSS PARCEL D, AND THE PUBLIC ACCESS EASEMENT, WATERLINE EASEMENT, AND PUBLIC UTILITY EASEMENT ACROSS PARCEL E, AT A FUTURE DATE; AND ACCEPTED THE OFFER OF DEDICATION OF ALL STREETS, AVENUES AND WAYS AS SHOWN ON SAID MAP SUBJECT TO THE IMPROVEMENTS BEING COMPLETED IN ACCORDANCE WITH CHAPTER 16, TITLE 16.16 OF THE CITY OF LATHROP MUNICIPAL CODE.

I FURTHER STATE THAT ALL BONDS AS REQUIRED BY LAW TO ACCOMPANY THE WITHIN MAP, IF APPLICABLE, HAVE BEEN APPROVED BY THE CITY COUNCIL OF LATHROP AND FILED IN MY OFFICE.

TERESA VARGAS
 CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

RECORDER'S STATEMENT

FILED THIS ____ DAY OF _____, 201__ AT ____ M.
 IN BOOK ____ OF MAPS AND PLATS, AT PAGE ____ AT THE REQUEST OF OLD REPUBLIC TITLE COMPANY.

FEE: \$ _____

BY: _____ ASSISTANT/DEPUTY RECORDER
 STEVE BESTOLARIDES
 ASSESSOR-RECORDER-COUNTY CLERK
 SAN JOAQUIN COUNTY, CALIFORNIA

EXEMPT FROM FEE PER GOVERNMENT CODE 27388.1; DOCUMENT RECORDED IN CONNECTION WITH A CONCURRENT TRANSFER SUBJECT TO THE IMPOSITION OF DOCUMENTARY TRANSFER TAX

TRACT 4001

RIVER ISLANDS - STAGE 2A

VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3909 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEETS 4 THROUGH 5 ONLY

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N79°27'09"W	514.98'
L2	N74°51'51"E	116.24'
L3	N56°36'09"W	260.59'
L4	N45°00'00"W	35.36'
L5	N45°39'54"E	194.84'
L6	N44°20'06"W	1.32'
L7	N45°39'54"E	60.00'
L8	N44°20'06"W	9.63'
L9	N75°18'05"W	5.83'
L10	N68°30'42"E	188.10'
L11	N30°44'58"E	155.55'
L12	N19°39'14"E	74.33'
L13	EAST	90.00'
L14	NORTH	245.00'
L15	N45°00'00"E	35.36'
L16	EAST	373.50'
L17	N44°30'23"W	35.66'
L18	N88°53'58"W	60.00'
L19	N46°47'50"E	35.85'
L20	N25°10'17"W	35.85'
L21	N69°21'40"W	60.00'
L22	N66°26'57"E	35.85'
L23	N42°54'38"E	533.62'
L24	N68°08'37"W	64.51'
L25	N8°10'15"W	38.90'
L26	N31°00'23"E	60.00'
L27	N59°14'54"W	349.66'
L28	N75°21'58"W	419.83'
L29	N80°01'21"W	459.55'
L30	N68°30'42"E	188.10'
L31	N75°18'05"W	5.83'
L32	N44°20'06"W	9.63'
L33	NORTH	640.25'

(R17)(R22)

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	317.00	67°09'12"	371.54'
C2	383.00	24°52'19"	166.26'
C3	1970.00	16°24'40"	564.28'
C4	1970.00	181°2'03"	625.80'
C5	52.00	92°27'01"	83.91'
C6	1278.00	16°07'04"	359.51'
C7	570.00	4°39'23"	46.32'
C8	323.00	31°27'57"	177.39'
C9	377.00	67°09'12"	441.86'
C10	383.00	17°45'58"	118.76'
C11	383.00	7°06'21"	47.50'

NOTES

- RIGHT TO FARM STATEMENT:
PER CITY OF LATHROP MUNICIPAL CODE OF ORDINANCES, TITLE 15, CHAPTER 15.4B.04, THE CITY OF LATHROP PERMITS OPERATION OF PROPERLY CONDUCTED AGRICULTURAL OPERATIONS WITHIN THE CITY LIMITS, INCLUDING THOSE THAT UTILIZE CHEMICAL FERTILIZERS AND PESTICIDES. YOU ARE HEREBY NOTIFIED THAT THE PROPERTY YOU ARE PURCHASING MAY BE LOCATED CLOSE TO AGRICULTURAL LANDS AND OPERATIONS. YOU MAY BE SUBJECT TO INCONVENIENCE OR DISCOMFORT ARISING FROM THE LAWFUL AND PROPER USE OF AGRICULTURAL CHEMICALS AND PESTICIDES AND FROM OTHER AGRICULTURAL ACTIVITIES, INCLUDING WITHOUT LIMITATIONS, CULTIVATION, FLOWING, SPRAYING, IRRIGATION, PRUNING, HARVESTING, BURNING OF AGRICULTURAL WASTE PRODUCTS, PROTECTION OF CROPS AND ANIMALS FROM DEPRECIATION, AND OTHER ACTIVITIES WHICH MAY GENERATE DUST, SMOKE, NOISE, ODOR, RODENTS AND PESTS. BE AWARE ALSO, THAT THIS PROPERTY MAY BE LOCATED ADJACENT TO AGRICULTURAL OPERATIONS OUTSIDE THE CITY'S JURISDICTION. CONSEQUENTLY, DEPENDING ON THE LOCATION OF YOUR PROPERTY, IT MAY BE NECESSARY THAT YOU BE PREPARED TO ACCEPT SUCH INCONVENIENCES OR DISCOMFORT AS NORMAL AND NECESSARY ASPECT OF LIVING IN AN AGRICULTURALLY ACTIVE REGION.
- A SOILS REPORT ENTITLED "GEOTECHNICAL EXPLORATION, RIVER ISLANDS PHASE 1, LATHROP, CALIFORNIA", REFERENCED AS PROJECT NO. SD44.5.001.D1 AND DATED JULY 29, 2005, HAS BEEN PREPARED FOR THIS PROJECT BY ENCO, INCORPORATED, JOSEF J. TOOLE, C.E. NO. 2677, AND IS ON FILE WITH THE CITY OF LATHROP.
- TRACT 4001, RIVER ISLANDS, STAGE 2A, VILLAGE AA, CONTAINS 103 RESIDENTIAL LOTS, AND 5 LITTIERED PARCELS CONTAINING 22.21 ACRES, MORE OR LESS, INCLUDING ROADWAYS THAT ARE BEING DEDICATED BY THIS FINAL MAP, AND PARCEL 1 CONTAINING 4.40 ACRES, MORE OR LESS, ALL AS SHOWN ON THIS FINAL MAP (PLEASE REFER TO THE AREA TABLE BELOW):

TRACT 4001 AREA SUMMARY	
LOTS 1 THROUGH 103	13.39 AC±
PARCELS A THROUGH E	1.24 AC±
PARCEL 1	4.40 AC±
STREET DEDICATIONS	7.58 AC±
TOTAL	26.61 AC±

- BASED ON INFORMATION CONTAINED IN THE PRELIMINARY TITLE REPORT, ORDER NUMBER 161402016-KB (VERSION 2), DATED SEPTEMBER 21, 2016, PROVIDED BY OLD REPUBLIC TITLE COMPANY.
- OFFSITE ACCESS IS SHOWN ON THIS FINAL MAP AS BOSCH AVENUE (FUTURE) AND MULHOLLAND DRIVE (FUTURE), AS SHOWN ON SHEETS 7 THROUGH 15, HEREIN; SAID OFFSITE ACCESS IS BEING CREATED BY SEPARATE DOCUMENT TO BE RECORDED CONCURRENTLY WITH THIS FINAL MAP.

REFERENCES

- (R1) RECORD OF SURVEY FILED AUGUST 4, 2004, IN BOOK 35 OF SURVEYS, PAGE 142, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED JULY 15, 2005 AS DOCUMENT NUMBER 2005-171264, S.J.C.R. (35 SURVEYS 142)
- (R2) TRACT 3876, FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 56, S.J.C.R. (42 MAP 56)
- (R3) GRANT DEED RECORDED MARCH 30, 2001, AS DOCUMENT NUMBER 2001-046177, S.J.C.R.
- (R4) GRANT DEED RECORDED JANUARY 11, 2016, AS DOCUMENT NUMBER 2016-004077, S.J.C.R.
- (R5) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-063962, S.J.C.R.
- (R6) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-064006, S.J.C.R.
- (R7) GRANT DEED RECORDED JUNE 6, 2005, AS DOCUMENT NUMBER 2005-134736, S.J.C.R.
- (R8) TRACT 3826, FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 67, S.J.C.R. (42 MAP 67)
- (R9) TRACT 3828, FILED AUGUST 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 65, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED AUGUST 31, 2016, AS DOCUMENT NUMBER 2016-102979, S.J.C.R. (42 MAP 65)
- (R10) TRACT 3832, FILED AUGUST 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 66, S.J.C.R. (42 MAP 66)
- (R11) TRACT 3834, FILED DECEMBER 21, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 72, S.J.C.R. (42 MAP 72)
- UNFILED MAP ENTITLED "CALIFORNIA IRRIGATED FARMS, UNIT NO. 3, PESCADERO COLONY BEING RECLAMATION DISTRICT NO. 2062, SURVEYED APRIL AND MAY 1929 BY DHM AND RAAB, DATED NOVEMBER 7, 1929, FILED IN THE OFFICE OF THE SAN JOAQUIN COUNTY SURVEYOR.
- (R13) PARCEL MAP 06-03-PM, FILED OCTOBER 23, 2006, IN BOOK 24 OF PARCEL MAPS, PAGE 51, S.J.C.R. (24 PM 51)
- (R14) TRACT 3836, FILED MARCH 15, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 84, S.J.C.R. (42 MAP 84)
- (R15) TRACT 3893, FILED JUNE 1, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 86, S.J.C.R. (42 MAP 86)
- (R16) TRACT 3895, FILED JUNE 20, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 89, S.J.C.R. (42 MAP 89)
- (R17) TRACT 3838, FILED NOVEMBER 30, 2017, IN BOOK 43 OF MAPS AND PLATS, PAGE 12, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED OCTOBER 16, 2018, AS DOCUMENT NUMBER 2018-114854, S.J.C.R. (43 MAP 12)
- (R18) TRACT 3875, FILED SEPTEMBER 22, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 100, S.J.C.R. (42 MAP 100)
- (R19) TRACT 3831, FILED JANUARY 23, 2018, IN BOOK 43 OF MAPS AND PLATS, PAGE 16, S.J.C.R. (43 MAP 16)
- (R20) TRACT 3912, FILED FEBRUARY 7, 2018, IN BOOK 43 OF MAPS AND PLATS, PAGE 19, S.J.C.R. (43 MAP 19)
- (R21) GRANT DEED RECORDED JUNE 3, 2016, AS DOCUMENT NUMBER 2016-063963, S.J.C.R.
- (R22) TRACT 3908, RIVER ISLANDS, STAGE 2A, LARGE LOT FINAL MAP, FILED SEPTEMBER 20, 2018, IN BOOK 43 OF MAP AND PLATS, PAGE 52, S.J.C.R. (43 MAP 52)

CITY ENGINEER'S STATEMENT

I, GLENN GEBHARDT, HEREBY STATE THAT I AM THE CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA AND THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 4001, RIVER ISLANDS, STAGE 2A, VILLAGE AA", CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE VESTING TENTATIVE MAP NO. 3694, AND ANY APPROVED ALTERATIONS THEREOF. I FURTHER STATE THAT THIS FINAL MAP COMPLIES WITH ALL APPLICABLE ORDINANCES OF THE CITY OF LATHROP, AND ANY AMENDMENTS THERETO, APPLICABLE AT THE TIME OF APPROVAL OF VESTING TENTATIVE MAP.

DATED THIS _____ DAY OF _____, 201__

GLENN GEBHARDT, R.C.E. 34681
CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA



SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF RIVER ISLANDS DEVELOPMENT, LLC, ON JUNE 25, 2018. I HEREBY STATE ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 31, 2023, AND THAT THE MONUMENTS ARE, OR THAT THEY WILL BE, SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATED THIS _____ DAY OF _____, 201__

DYLAN CRAWFORD, P.L.S. NO 7788



CITY SURVEYOR'S STATEMENT

I, LAWRENCE GOSSETT, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 4001, RIVER ISLANDS, STAGE 2A, VILLAGE AA", CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON COMPLIES WITH ALL THE PROVISIONS OF CHAPTER 2 OF THE CALIFORNIA SUBDIVISION MAP ACT, AS AMENDED, AND THAT THIS FINAL MAP IS TECHNICALLY CORRECT.

DATED THIS _____ DAY OF _____, 201__

LAWRENCE GOSSETT, P.E. 31695



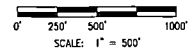
SIGNATURE OMISSIONS

PURSUANT TO SECTION 65436 OF THE CALIFORNIA SUBDIVISION MAP ACT, THE SIGNATURES OF THE FOLLOWING PARTIES HAVE BEEN OMITTED:

- RECLAIMED ISLANDS LAND COMPANY, RESERVATION FOR OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET, PER DOCUMENT NUMBER 2001-046177, S.J.C.R.
- LEEVE EASEMENT IN FAVOR OF ISLAND RECLAMATION DISTRICT 2062 PER DOCUMENT NUMBER 2018-060092, S.J.C.R.

TRACT 4001 RIVER ISLANDS - STAGE 2A VILLAGE AA

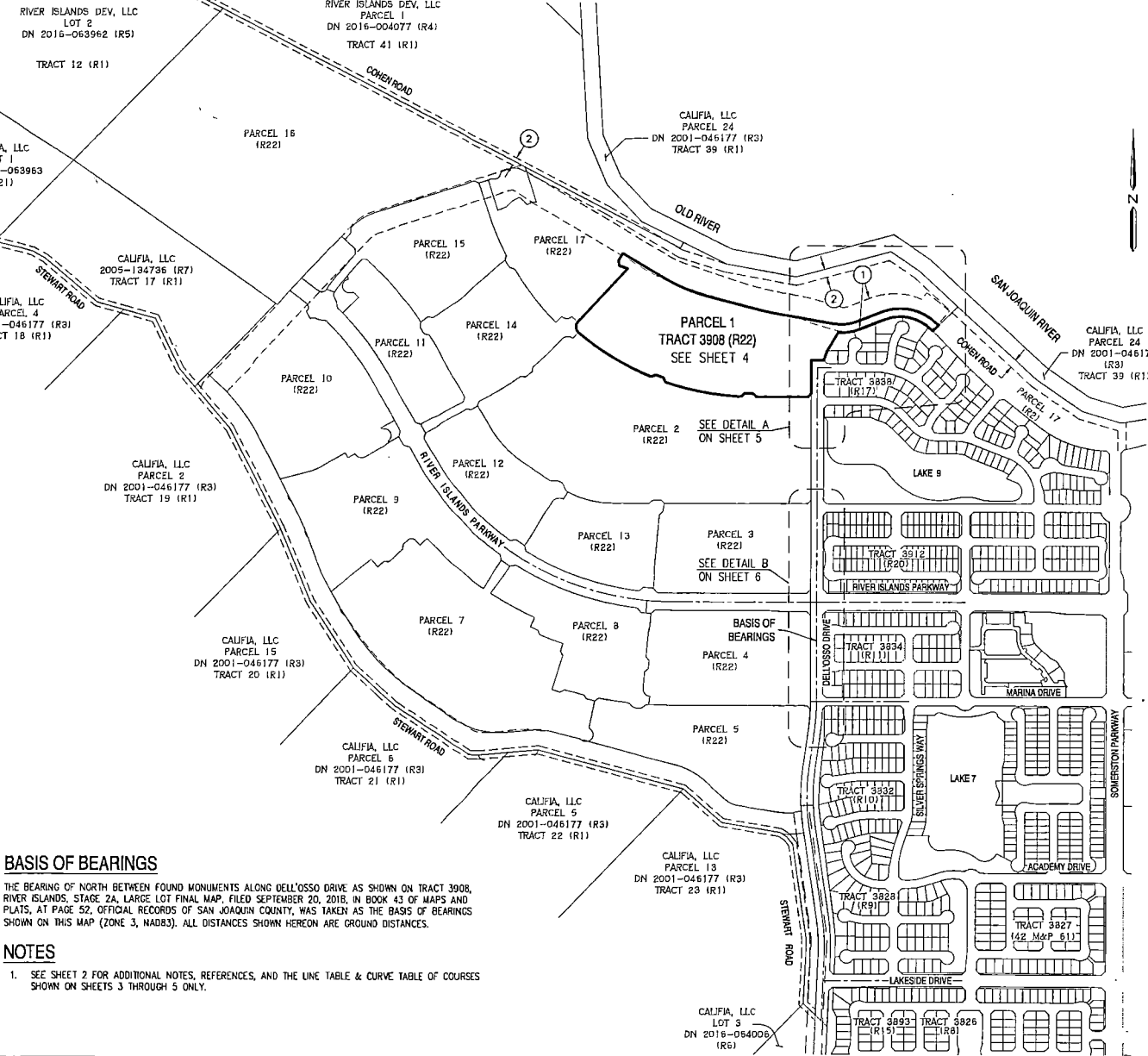
A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



THIS SHEET SHOWS TIES TO THE BASIS OF BEARINGS
AND OTHER MAPS OF RECORD. REFER TO SHEET 4 FOR
THE BOUNDARY OF TRACT 4001

- LEGEND (SHEETS 3 THROUGH 5 ONLY)**
- MONUMENT TO BE SET PER (R17), UNLESS OTHERWISE NOTED
 - 3/4" IRON PIPE WITH CAP STAMPED "PLS 7788" PER (R22), UNLESS OTHERWISE NOTED
 - 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
 - MONUMENT TO BE SET PER TRACT 3834 (R11)
 - 2-1/2" BRASS DISK STAMPED "PLS 7788" TO BE SET PER (R17)
 - BOUNDARY
 - LOT LINE OR RIGHT-OF-WAY LINE
 - EASEMENT LINE
 - CENTERLINE
 - 200.00' (R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
 - (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
 - (M-M) MONUMENT TO MONUMENT
 - (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
 - (R) RADIAL BEARING
 - (T) TOTAL
 - (B) BOUNDARY
 - DN DOCUMENT NUMBER
 - O.R. OFFICIAL RECORD
 - MON MONUMENT
 - ① EASEMENT REFERENCE NUMBER - SEE THIS SHEET
 - ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
 - ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
 - ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
 - ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)
 - ⑤ 5/8" REBAR WITH CAP STAMPED "PLS 7788" PER (R22)

- EASEMENTS**
- ① STAGE 2A LEVEE EASEMENT IN FAVOR OF ISLAND RECLAMATION DISTRICT 2052 PER DN 2018-060092, S.J.C.R.
 - ② 60' WIDE ROADWAY EASEMENT IN FAVOR OF CITY OF LATHROP PER 408 O.R. 95, S.J.C.R. (COHEN ROAD). (DOES NOT AFFECT THE SUBJECT PROPERTY).



BASIS OF BEARINGS

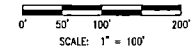
THE BEARING OF NORTH BETWEEN FOUND MONUMENTS ALONG DELL'OSSO DRIVE AS SHOWN ON TRACT 3908, RIVER ISLANDS, STAGE 2A, LARGE LOT FINAL MAP, FILED SEPTEMBER 20, 2018, IN BOOK 43 OF MAPS AND PLATS, AT PAGE 52, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, WAS TAKEN AS THE BASIS OF BEARINGS SHOWN ON THIS MAP (ZONE 3, NAD83). ALL DISTANCES SHOWN HEREON ARE GROUND DISTANCES.

NOTES

- 1. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES, AND THE LINE TABLE & CURVE TABLE OF COURSES SHOWN ON SHEETS 3 THROUGH 5 ONLY.

TRACT 4001 RIVER ISLANDS - STAGE 2A VILLAGE AA

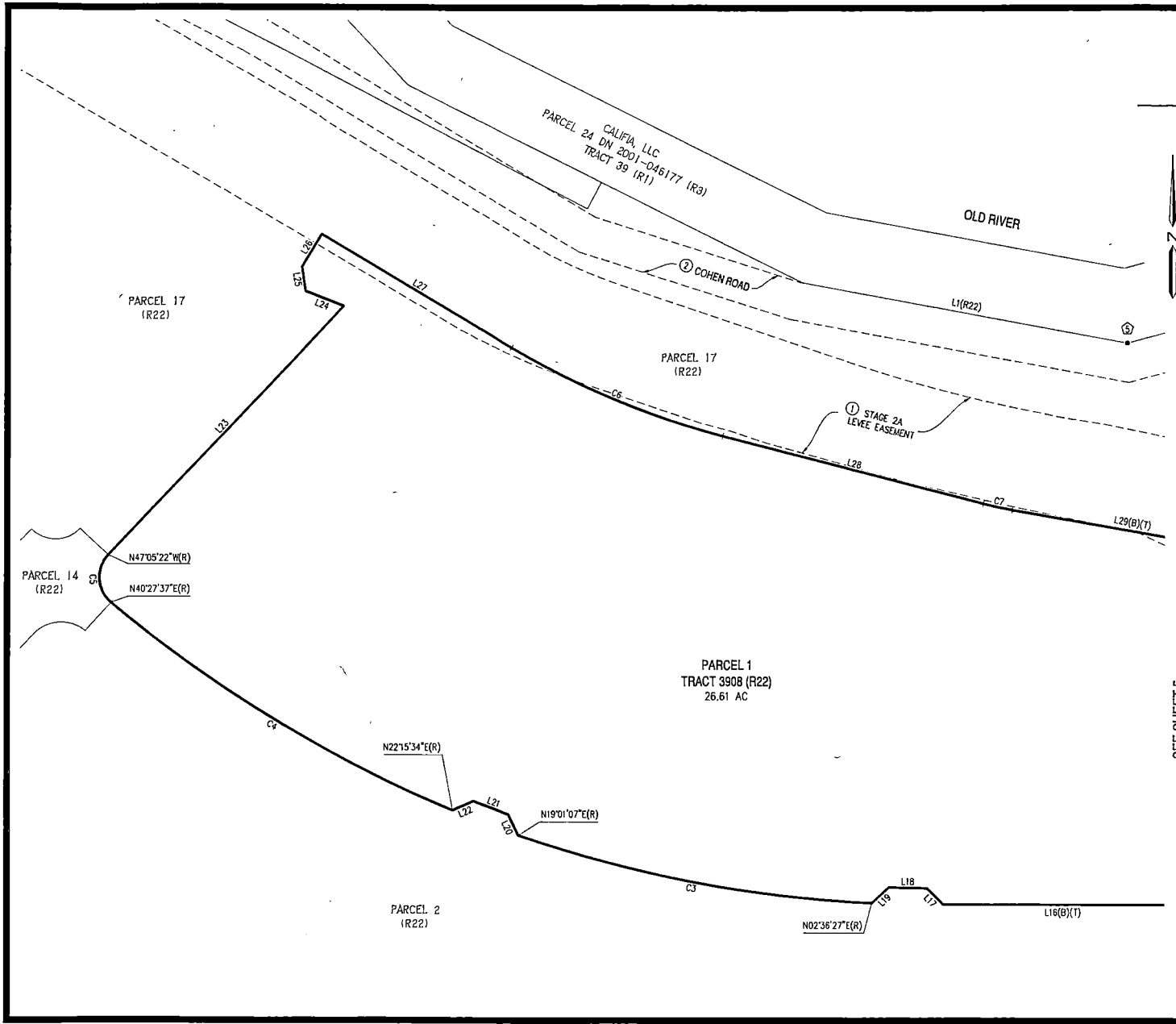
A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



THIS SHEET SHOWS THE BOUNDARY OF TRACT 4001
BEING PARCEL 1 OF TRACT 3908 (R22)

NOTES

1. SEE SHEET 3 FOR LEGEND AND BASIS OF BEARINGS.
2. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES, AND THE LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 5 ONLY.



SEE SHEET 5

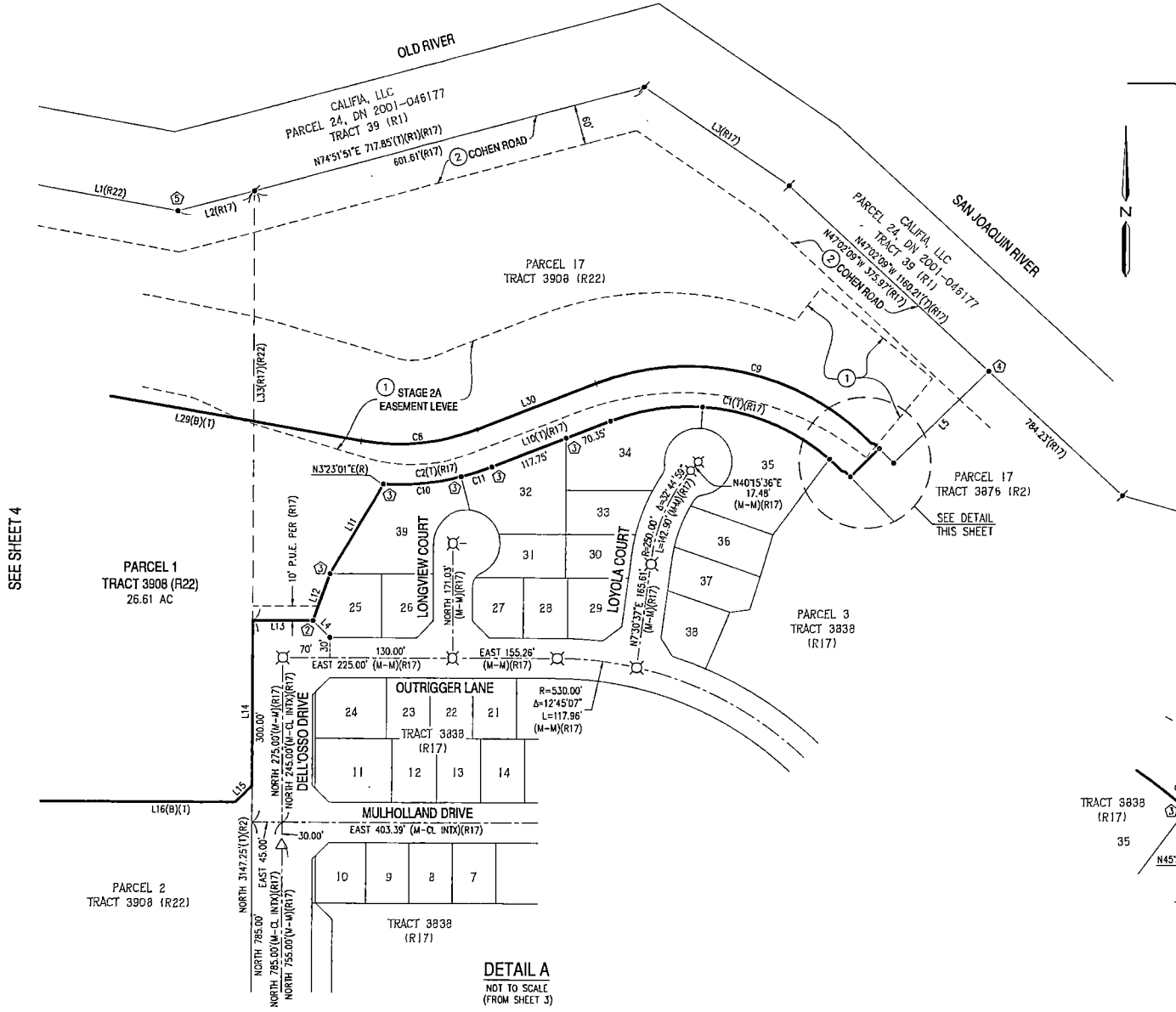
TRACT 4001 RIVER ISLANDS - STAGE 2A VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018

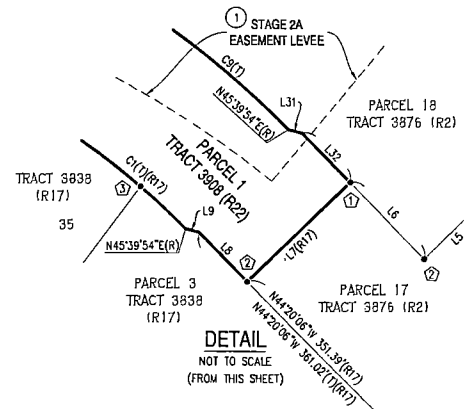


NOTES

1. SEE SHEET 3 FOR LEGEND AND BASIS OF BEARINGS.
2. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES, AND THE LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 5 ONLY.



SEE SHEET 4



DETAIL A
NOT TO SCALE
(FROM SHEET 3)

SEE SHEET 6

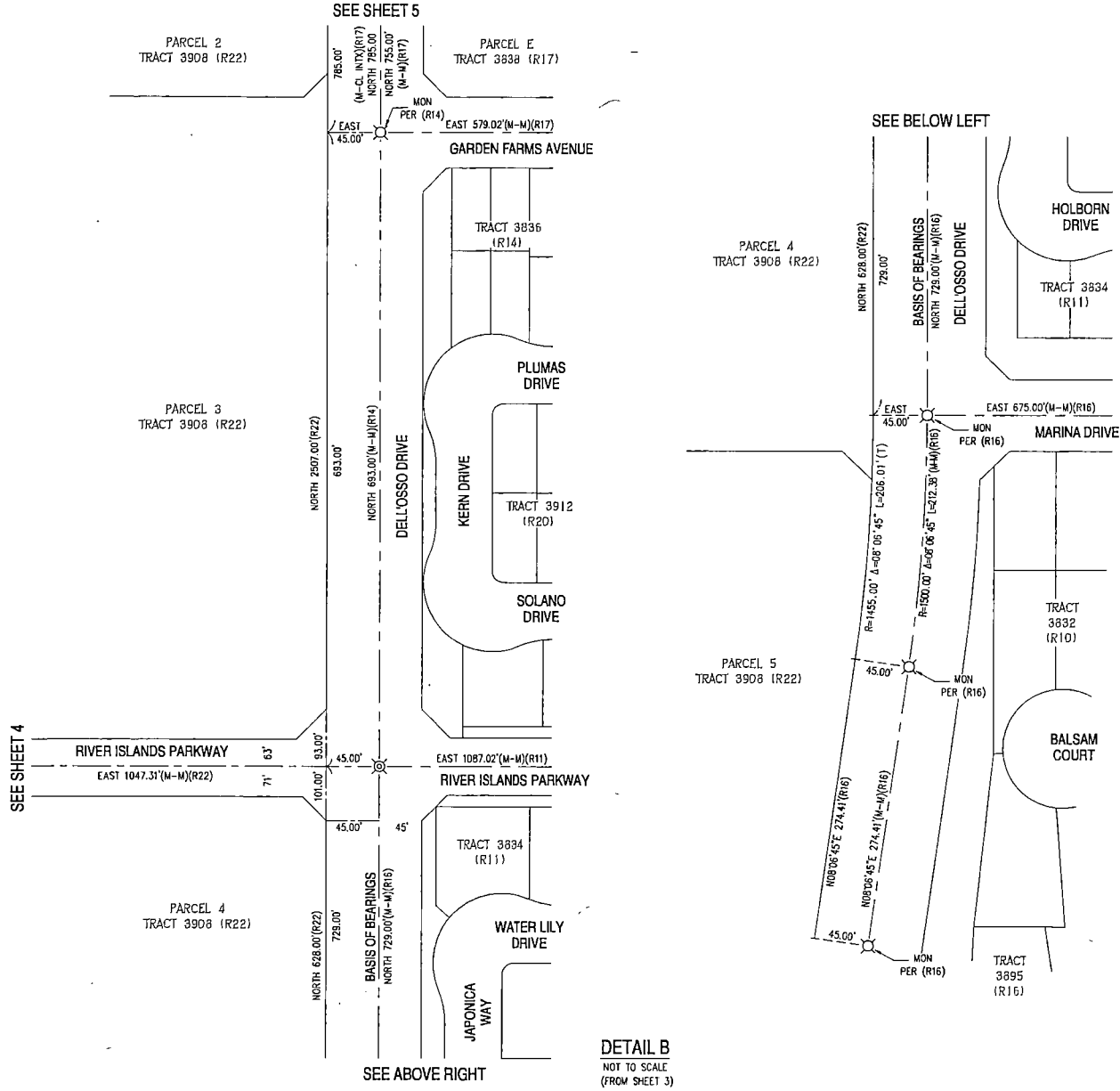
TRACT 4001 RIVER ISLANDS - STAGE 2A VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA
OCTOBER 2018



NOTES

1. SEE SHEET 3 FOR LEGEND AND BASIS OF BEARINGS.
2. SEE SHEET 2 FOR ADDITIONAL NOTES, REFERENCES, AND THE LINE AND CURVE TABLES FOR SHEETS 3 THROUGH 5 ONLY.



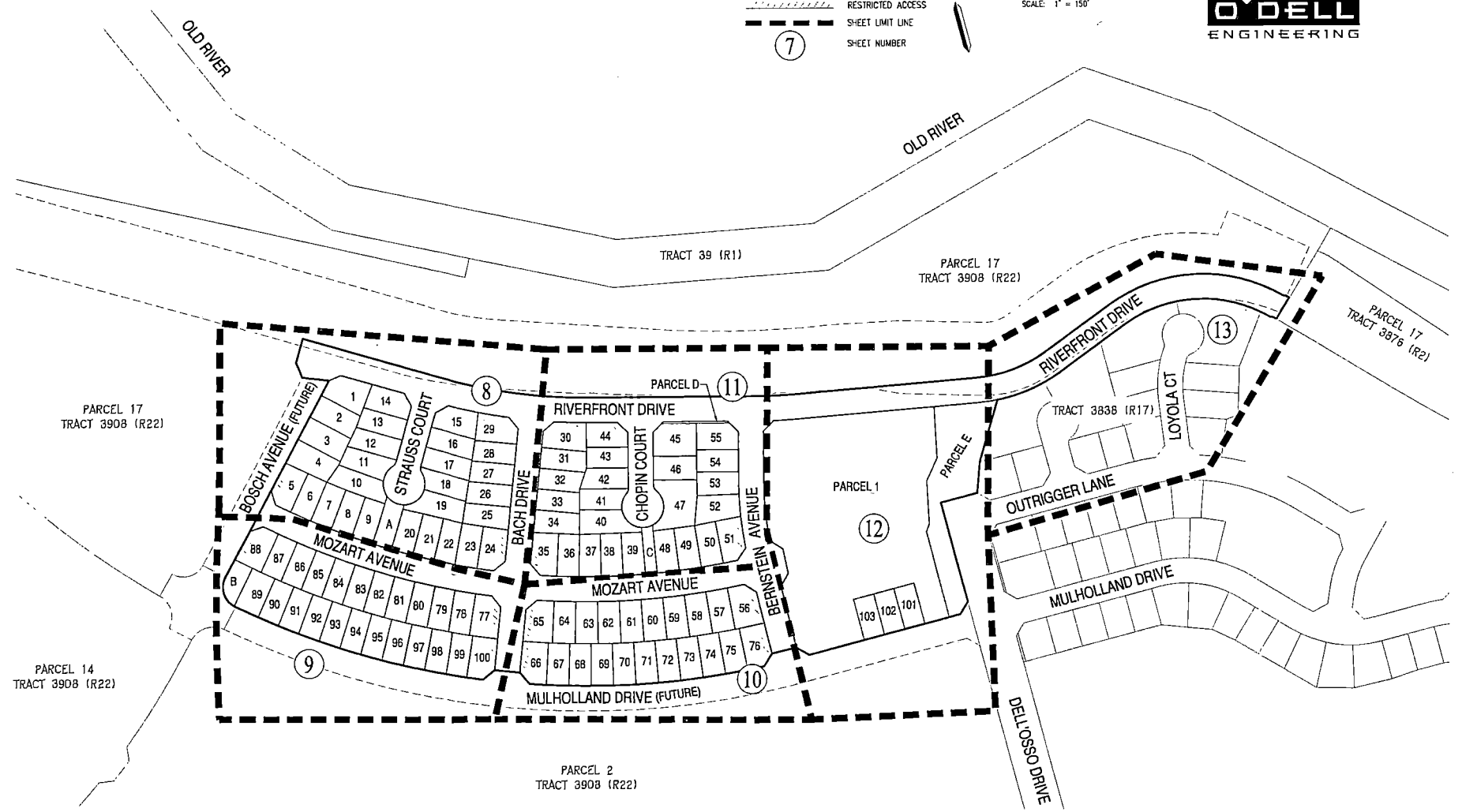
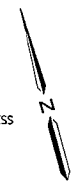
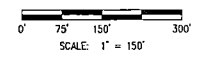
TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



SHEET INDEX

- LEGEND**
- BOUNDARY
 - - - EASEMENT LINE
 - LOT LINE
 - RESTRICTED ACCESS
 - - - SHEET LIMIT LINE
 - ⑦ SHEET NUMBER



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
- ② 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
- ③ 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
- ④ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
- ⑤ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT

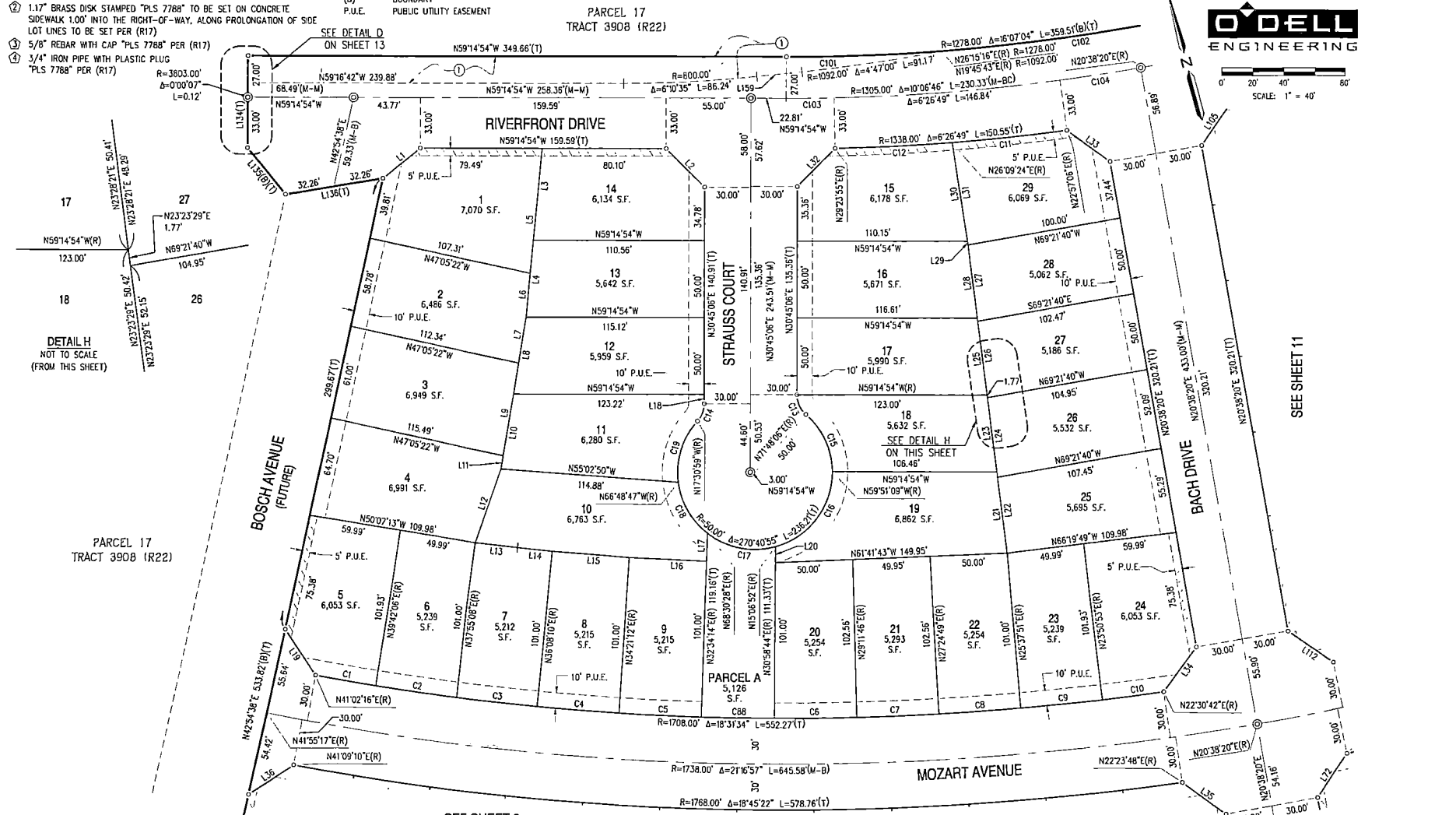
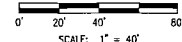
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - - EASEMENT LINE
- CENTERLINE
- RESTRICTED ACCESS

NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.

**TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ⊕ EASEMENT REFERENCE NUMBER, SEE SHEET 3
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
- ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
- ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
- ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT

- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- EASEMENT LINE
- CENTERLINE
- ////// RESTRICTED ACCESS

NOTES

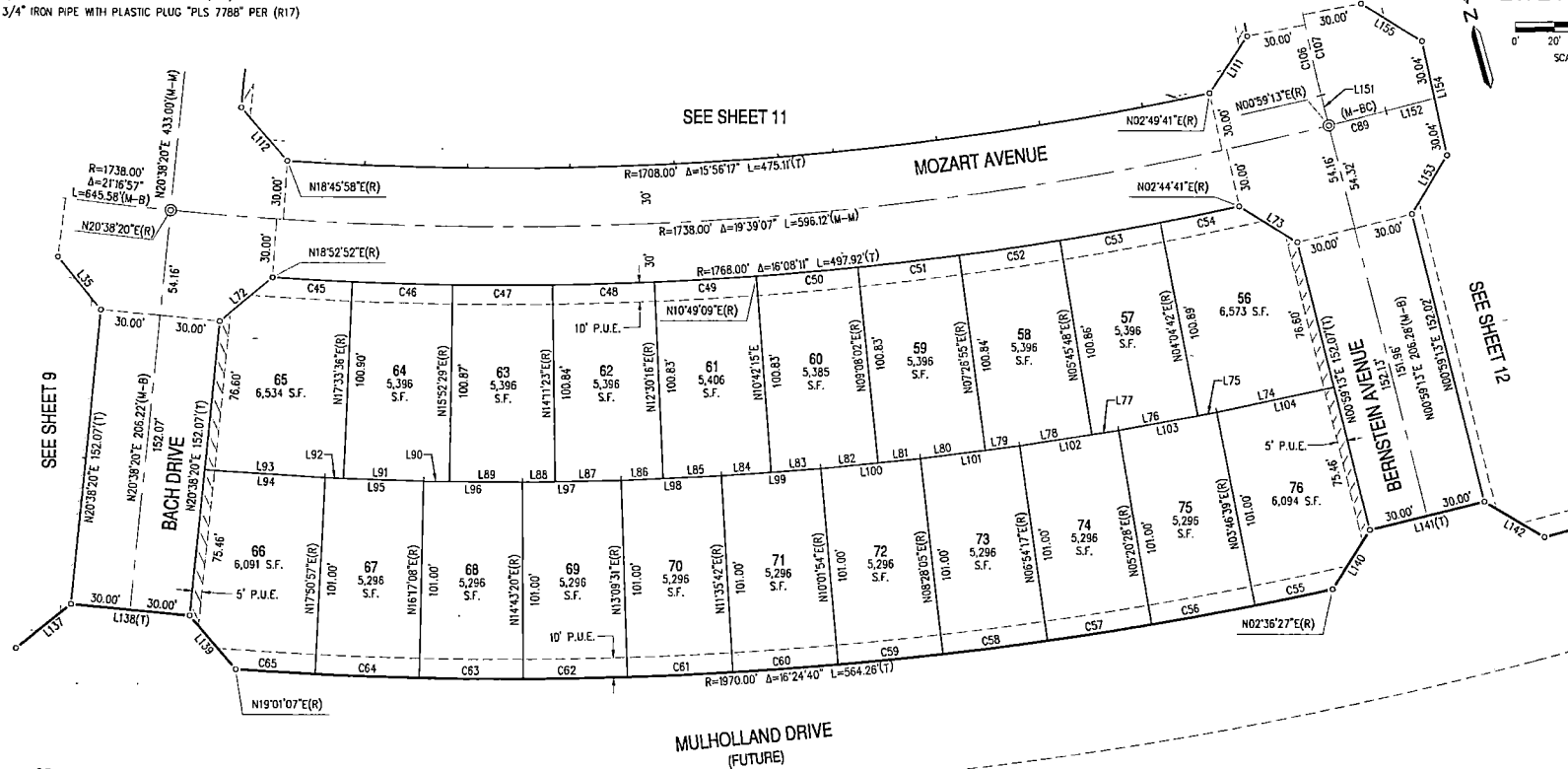
1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.

**TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



0' 20' 40' 80'
SCALE: 1" = 40'



PARCEL 2
TRACT 3908 (R22)

LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
 - 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
 - SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
- ② 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
- ③ 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
- ④ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
- ⑤ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-W) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-C) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT

- _____ LOT LINE
- _____ RIGHT-OF-WAY LINE
- _____ BOUNDARY
- _____ EASEMENT LINE
- _____ CENTERLINE
- _____ RESTRICTED ACCESS

NOTES

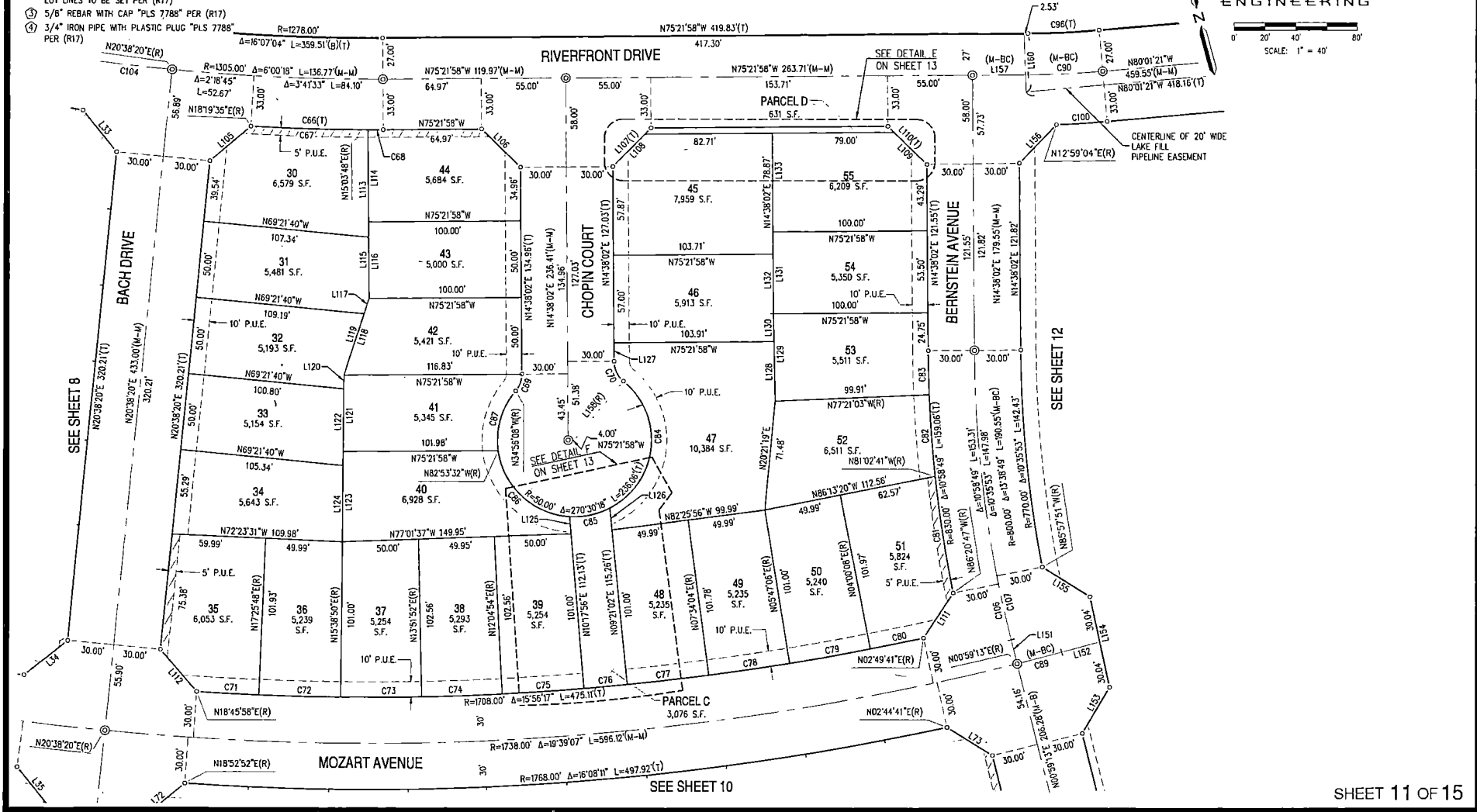
1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.

**TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018

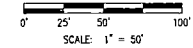


0 20' 40' 80'
SCALE: 1" = 40'



TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



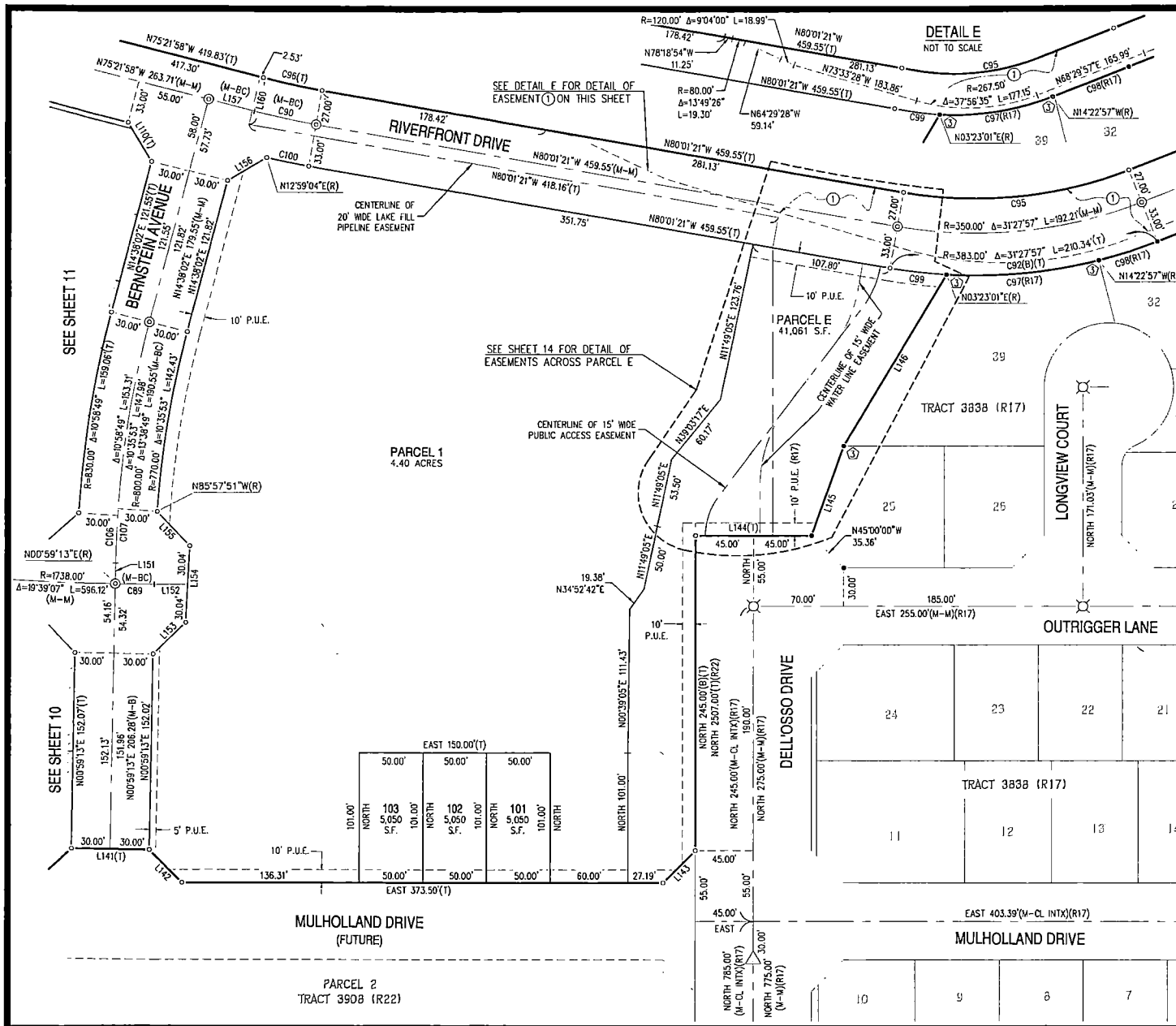
SEE SHEET 13
 FOR RIVERFRONT DRIVE

LEGEND

- ⊙ MONUMENT TO BE SET PER (R17)
- ⊕ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- ⊖ 2-1/2" BRASS DISK STAMPED "PLS 7788" TO BE SET PER (R17)
- ⊙ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
- 200.00(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- EASEMENT LINE
- CENTERLINE
- //// RESTRICTED ACCESS
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
- ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
- ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
- ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.



TRACT 4001 RIVER ISLANDS - STAGE 2A VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3905 (43 M&P 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
OCTOBER 2018



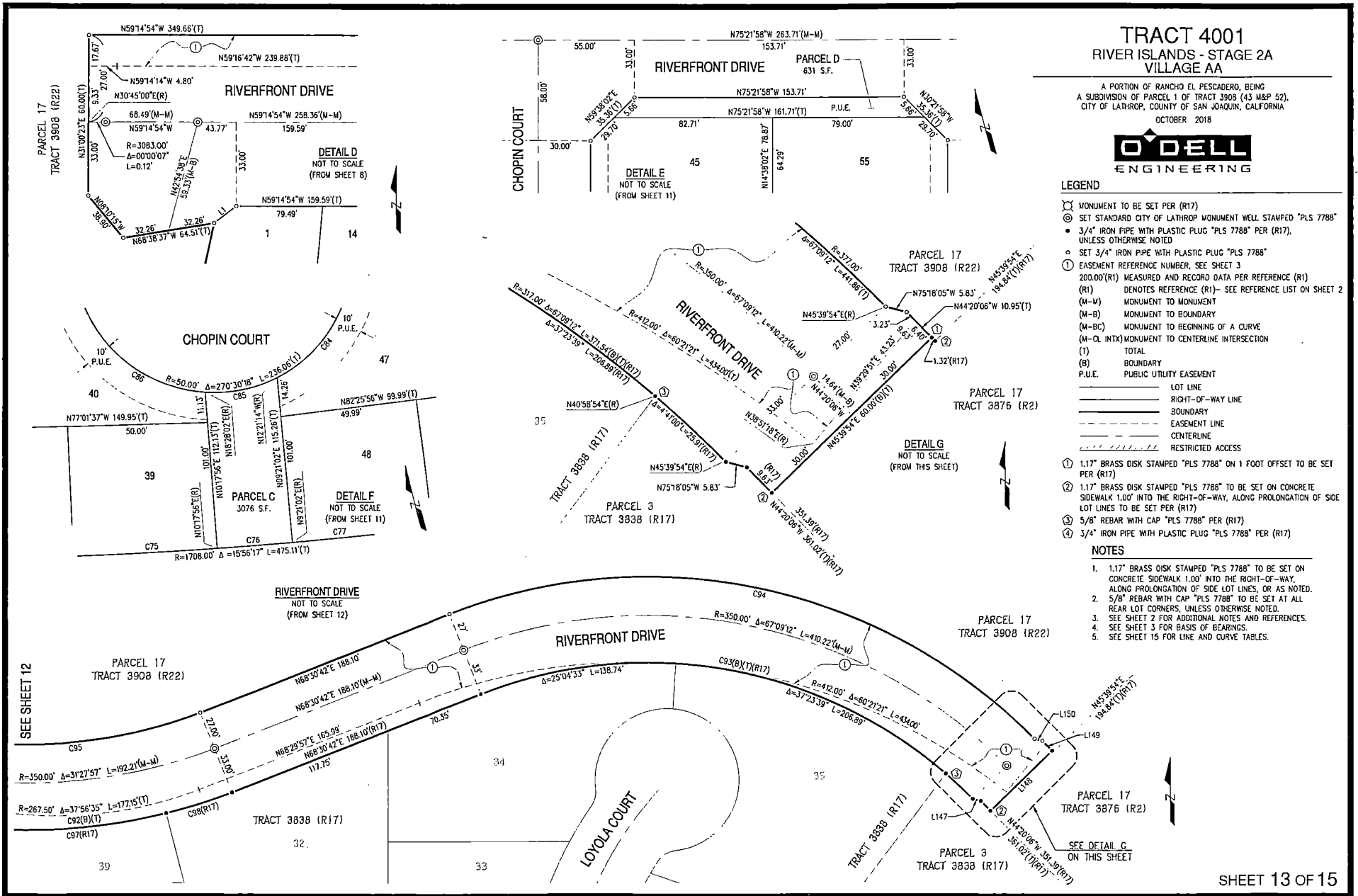
LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-W) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT

- LOT LINE
 - RIGHT-OF-WAY LINE
 - BOUNDARY
 - - - EASEMENT LINE
 - CENTERLINE
 - RESTRICTED ACCESS
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
 - ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
 - ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
 - ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

NOTES

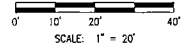
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3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.



TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 M&P 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

OCTOBER 2018

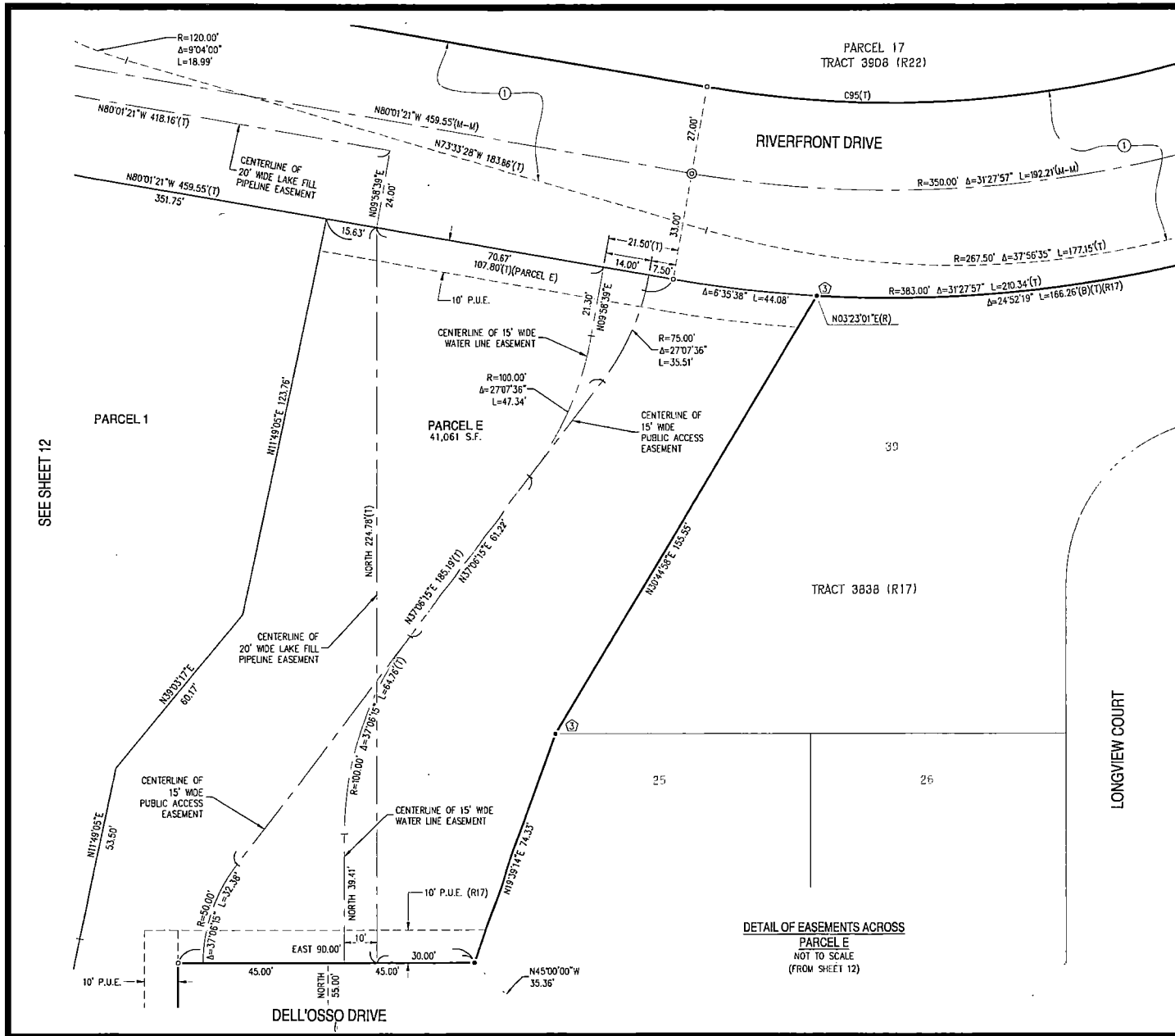


LEGEND

- ⊠ MONUMENT TO BE SET PER (R17)
 - ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
 - 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
 - SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
 - ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
 - 200.00(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
 - (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
 - (M-M) MONUMENT TO MONUMENT
 - (M-B) MONUMENT TO BOUNDARY
 - (M-BC) MONUMENT TO BEGINNING OF A CURVE
 - (M-CL INTX) MONUMENT TO CENTERLINE INTERSECTION
 - (T) TOTAL
 - (B) BOUNDARY
 - P.U.E. PUBLIC UTILITY EASEMENT
-
- LOT LINE
 - RIGHT-OF-WAY LINE
 - BOUNDARY
 - EASEMENT LINE
 - CENTERLINE
 - RESTRICTED ACCESS
-
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
 - ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
 - ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
 - ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

NOTES

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5. SEE SHEET 15 FOR LINE AND CURVE TABLES.



**DETAIL OF EASEMENTS ACROSS
 PARCEL E**
 NOT TO SCALE
 (FROM SHEET 12)

SEE SHEET 12

LONGVIEW COURT

TRACT 4001
RIVER ISLANDS - STAGE 2A
VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
 CITY OF LAHOP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 OCTOBER 2018



LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEETS 8 THROUGH 14 ONLY

LINE TABLE			LINE TABLE			LINE TABLE			CURVE TABLE				
LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH	CURVE #	RADIUS	DELTA	LENGTH	CURVE #	RADIUS	DELTA	LENGTH
L1	N81°49'52"E	31.41'	L41	N55°46'52"W	52.86'	C1	1708.00'	1°20'01"	38.83'	C41	1970.00'	1°31'50"	52.71'
L2	N1°14'54"W	52.86'	L42	N87°49'00"W	21.72'	L121	N82°21'8"E	50.01'	50.01'	C42	1970.00'	1°31'50"	52.71'
L3	N85°59'01"E	50.01'	L43	N79°11'12"W	25.49'	L123	N15°27'8"E	59.79'	59.79'	C43	1970.00'	1°31'50"	52.70'
L4	N85°59'01"E	50.01'	L44	N79°11'12"W	25.49'	L124	N15°27'8"E	49.88'	49.88'	C44	1970.00'	1°31'50"	52.70'
L5	N85°59'01"E	50.01'	L45	N87°49'00"W	21.72'	L125	N19°17'56"E	11.13'	11.13'	C45	1768.00'	1°46'58"	53.15'
L6	N85°59'01"E	50.01'	L46	N77°37'23"W	29.66'	L126	N19°17'56"E	14.26'	14.26'	C46	1768.00'	1°46'58"	53.15'
L7	N85°57'06"E	50.85'	L47	N73°32'57"W	21.34'	L127	N14°30'02"E	12.16'	12.16'	C47	1768.00'	1°41'09"	51.89'
L8	N85°57'06"E	50.85'	L48	N76°00'35"W	33.63'	L128	N15°50'40"E	38.88'	38.88'	C48	1768.00'	1°41'09"	51.89'
L9	N85°57'06"E	50.85'	L49	N74°29'46"W	37.60'	L129	N15°50'40"E	56.96'	56.96'	C49	1768.00'	1°41'09"	51.89'
L10	N85°57'06"E	50.85'	L50	N74°29'46"W	37.60'	L130	N15°50'40"E	16.00'	16.00'	C50	1768.00'	1°41'09"	51.89'
L11	N85°57'06"E	50.85'	L51	N72°55'59"W	41.57'	L131	N15°50'40"E	61.60'	61.60'	C51	1768.00'	1°41'09"	51.89'
L12	N85°57'06"E	50.85'	L52	N72°55'59"W	41.57'	L132	N15°50'40"E	39.82'	39.82'	C52	1768.00'	1°41'09"	51.89'
L13	N85°57'06"E	50.85'	L53	N71°12'57"W	61.00'	L133	N14°30'02"E	64.26'	64.26'	C53	1768.00'	1°41'09"	51.89'
L14	N85°57'06"E	50.85'	L54	N71°12'57"W	61.00'	L134	N14°30'02"E	60.00'	60.00'	C54	1970.00'	1°20'01"	41.15'
L15	N85°57'06"E	50.85'	L55	N72°55'59"W	41.57'	L135	N14°30'02"E	38.80'	38.80'	C55	1970.00'	1°20'01"	41.15'
L16	N85°57'06"E	50.85'	L56	N72°55'59"W	41.57'	L136	N14°30'02"E	64.51'	64.51'	C56	1970.00'	1°20'01"	41.15'
L17	N85°57'06"E	50.85'	L57	N72°55'59"W	41.57'	L137	N14°30'02"E	35.85'	35.85'	C57	1970.00'	1°20'01"	41.15'
L18	N85°57'06"E	50.85'	L58	N72°55'59"W	41.57'	L138	N14°30'02"E	50.00'	50.00'	C58	1970.00'	1°20'01"	41.15'
L19	N85°57'06"E	50.85'	L59	N72°55'59"W	41.57'	L139	N14°30'02"E	50.00'	50.00'	C59	1970.00'	1°20'01"	41.15'
L20	N85°57'06"E	50.85'	L60	N72°55'59"W	41.57'	L140	N14°30'02"E	35.85'	35.85'	C60	1970.00'	1°20'01"	41.15'
L21	N85°57'06"E	50.85'	L61	N72°55'59"W	41.57'	L141	N14°30'02"E	60.00'	60.00'	C61	1970.00'	1°20'01"	41.15'
L22	N85°57'06"E	50.85'	L62	N72°55'59"W	41.57'	L142	N14°30'02"E	35.85'	35.85'	C62	1970.00'	1°20'01"	41.15'
L23	N85°57'06"E	50.85'	L63	N72°55'59"W	41.57'	L143	N14°30'02"E	35.85'	35.85'	C63	1970.00'	1°20'01"	41.15'
L24	N85°57'06"E	50.85'	L64	N72°55'59"W	41.57'	L144	N14°30'02"E	30.00'	30.00'	C64	1970.00'	1°20'01"	41.15'
L25	N85°57'06"E	50.85'	L65	N54°11'38"W	21.69'	L145	N15°29'14"E	74.43'	74.43'	C65	1970.00'	1°20'01"	41.15'
L26	N85°57'06"E	50.85'	L66	N54°11'38"W	21.69'	L146	N15°29'14"E	15.55'	15.55'	C66	1970.00'	1°20'01"	41.15'
L27	N85°57'06"E	50.85'	L67	N52°34'25"W	18.83'	L147	N15°29'14"E	5.83'	5.83'	C67	1338.00'	3°14'33"	88.23'
L28	N85°57'06"E	50.85'	L68	N52°34'25"W	18.83'	L148	N15°29'14"E	50.00'	50.00'	C68	1338.00'	3°14'33"	88.23'
L29	N85°57'06"E	50.85'	L69	N50°57'11"W	15.98'	L149	N44°20'08"W	9.83'	9.83'	C69	1338.00'	3°14'33"	88.23'
L30	N85°57'06"E	50.85'	L70	N50°57'11"W	15.98'	L150	N44°20'08"W	5.84'	5.84'	C70	1708.00'	1°46'58"	53.15'
L31	N85°57'06"E	50.85'	L71	N49°04'34"W	23.13'	L151	N07°59'13"E	16.00'	16.00'	C71	1708.00'	1°46'58"	53.15'
L32	N85°57'06"E	50.85'	L72	N49°04'34"W	23.13'	L152	N4°51'	25.59'	25.59'	C72	1708.00'	1°46'58"	53.15'
L33	N85°57'06"E	50.85'	L73	N49°04'34"W	23.13'	L153	N4°51'	35.65'	35.65'	C73	1708.00'	1°46'58"	53.15'
L34	N85°57'06"E	50.85'	L74	N49°04'34"W	23.13'	L154	N2°48'52"E	50.07'	50.07'	C74	1708.00'	1°46'58"	53.15'
L35	N85°57'06"E	50.85'	L75	N49°04'34"W	23.13'	L155	N2°48'52"E	36.58'	36.58'	C75	1708.00'	1°46'58"	53.15'
L36	N85°57'06"E	50.85'	L76	N49°04'34"W	23.13'	L156	N14°38'02"E	4.19'	4.19'	C76	1708.00'	1°46'58"	53.15'
L37	N85°57'06"E	50.85'	L77	N49°04'34"W	23.13'	L157	N14°38'02"E	10.61'	10.61'	C77	1708.00'	1°46'58"	53.15'
L38	N85°57'06"E	50.85'	L78	N49°04'34"W	23.13'	L158	N14°38'02"E	37.22'	37.22'	C78	1708.00'	1°46'58"	53.15'
L39	N85°57'06"E	50.85'	L79	N49°04'34"W	23.13'	L159	N14°38'02"E	42.14'	42.14'	C79	1708.00'	1°46'58"	53.15'
L40	N85°57'06"E	50.85'	L80	N49°04'34"W	23.13'	L160	N14°38'02"E	38.14'	38.14'	C80	1708.00'	1°46'58"	53.15'

EXHIBIT B

TRACT 4001 AND VILLAGE “AA” AREA

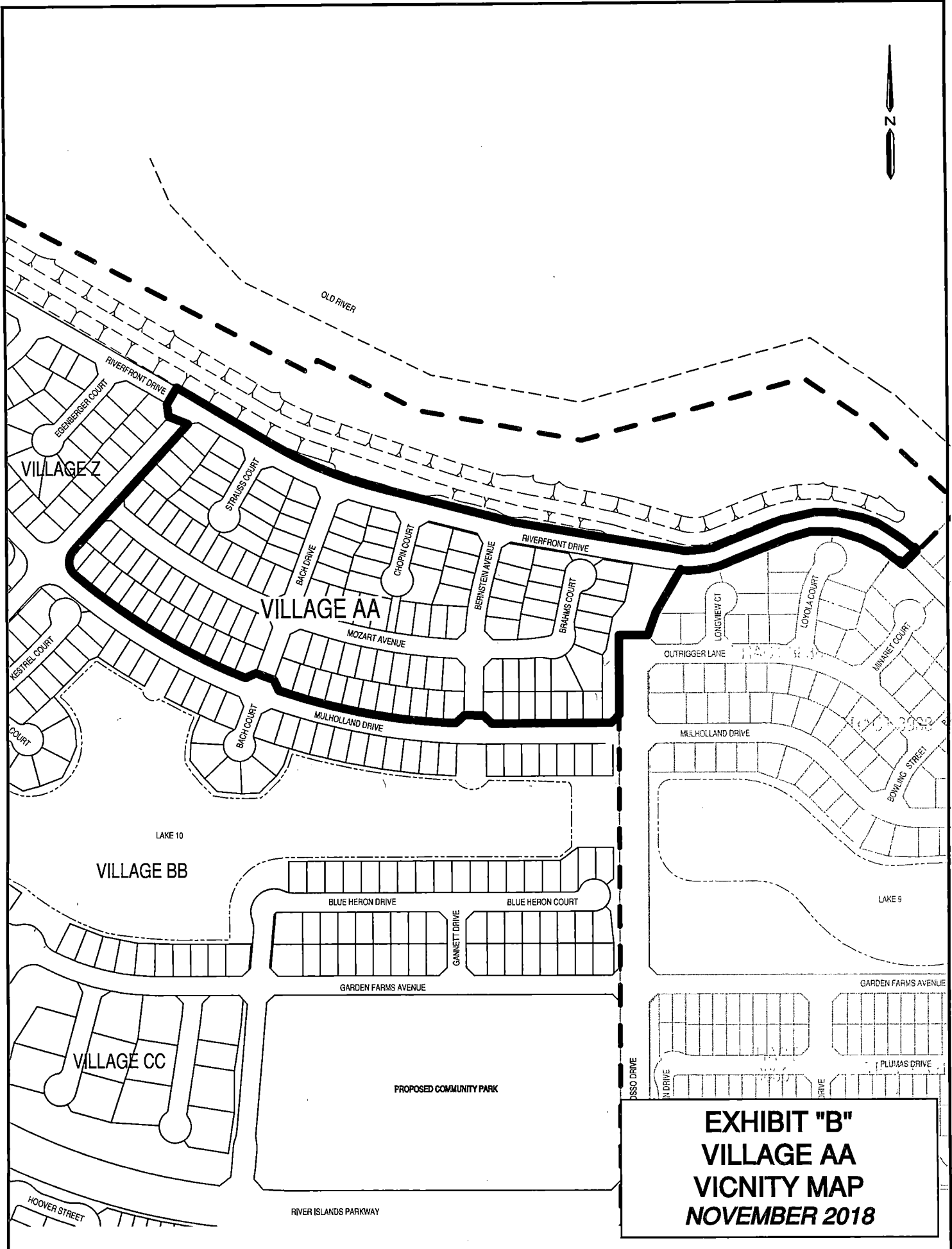


EXHIBIT "B"
VILLAGE AA
VICINITY MAP
NOVEMBER 2018

EXHIBIT C

CITY INSURANCE REQUIREMENTS

1. The Subdivider shall obtain commercial general liability insurance companies licensed to do business in the State of California with an A.M. Best Company rating Insurance rating of no less than A:VII which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 for each occurrence and \$2,000,000 in the aggregate.

Said insurance coverage shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). All parties to the Subdivision Improvement Agreement must be named insured on the policy. The policy endorsements to be attached to the certificate must provide all the following:

a. Name the City of Lathrop, its officers, City Council, boards and commissions, and members thereof, its employees and agents as additional insured as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.

b. State that “the insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss.

c. Include a statement that, “the insurer will provide to the City of Lathrop at least thirty (30) days prior notice of cancellation or material change in coverage.” The above language can be included on the additional insured endorsement form or on a separate endorsement form.

d. The policy must contain a cross liability or severability of interest clause.

e. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/12/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Insurance Services of California, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com														
INSURED River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: United Specialty Insurance Company</td> <td style="text-align: center;">12537</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: United Specialty Insurance Company	12537	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: United Specialty Insurance Company	12537														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES CERTIFICATE NUMBER: W8502835 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	Y	ATN-SF1811644P	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		BTN1814514W	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 3,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Tract 4001 River Islands- Stage 2A Village AA

The City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents as additional insured as respects the general liability policy. The insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the

CERTIFICATE HOLDER The City of Lathrop 390 Towne Centre Drive Lathrop, CA 95330	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE:
---	---

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AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Willis Insurance Services of California, Inc.		NAMED INSURED River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1.	
CARRIER See Page 1	NAIC CODE See Page 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

insurance afforded to the named insured by this policy and shall not contribute to any loss as respects the insured's operations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	River Islands @ Lathrop Development
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY

USIC VEN 016 11 10 07

**Named Insured: River Islands Development, LLC
Policy Number: ATN-SF1811644P**

**PRIMARY AND NON-CONTRIBUTING INSURANCE
(Third Party's Sole Negligence)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

The following is added to Section IV – Commercial General Liability Conditions, Paragraph 4:

Section IV: Commercial General Liability Conditions

4. Other Insurance:

- d. Notwithstanding the provisions of sub-paragraphs a, b, and c of this paragraph 4, with respect to the Third Party shown below, it is understood and agreed that in the event of a claim or "suit" arising out of the Named Insured's sole negligence, this insurance shall be primary and any other insurance maintained by the additional insured named as the Third Party below shall be excess and non-contributory.

The Third Party to whom this endorsement applies is:

City of Lathrop, its officers, City Council,
boards and commissions and members thereof,
its employees and agents
390 Towne Centre Drive
Lathrop, CA 95330

Absence of a specifically named Third Party above means that the provisions of this endorsement apply "as required by written contractual agreement with any Third party for whom you are performing work."

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

USIC VEN 078 03 11 07

Named Insured: River Islands Development, LLC

Policy Number: ATN-SF1811644P

THIRD PARTY CANCELLATION NOTICE

This endorsement shall not serve to increase our limits of insurance, as described in **SECTION III - LIMITS OF INSURANCE.**

This endorsement modifies Conditions provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

If we cancel this policy for any reason other than nonpayment of premium, we will mail notification to the persons or organizations shown in the schedule below (according to the number of days listed below) once the Named Insured has been notified.

If we cancel this coverage for nonpayment of premium, we will mail a copy of such written notice of cancellation to the name and address below at least 10 days prior to the effective date of such cancellation.

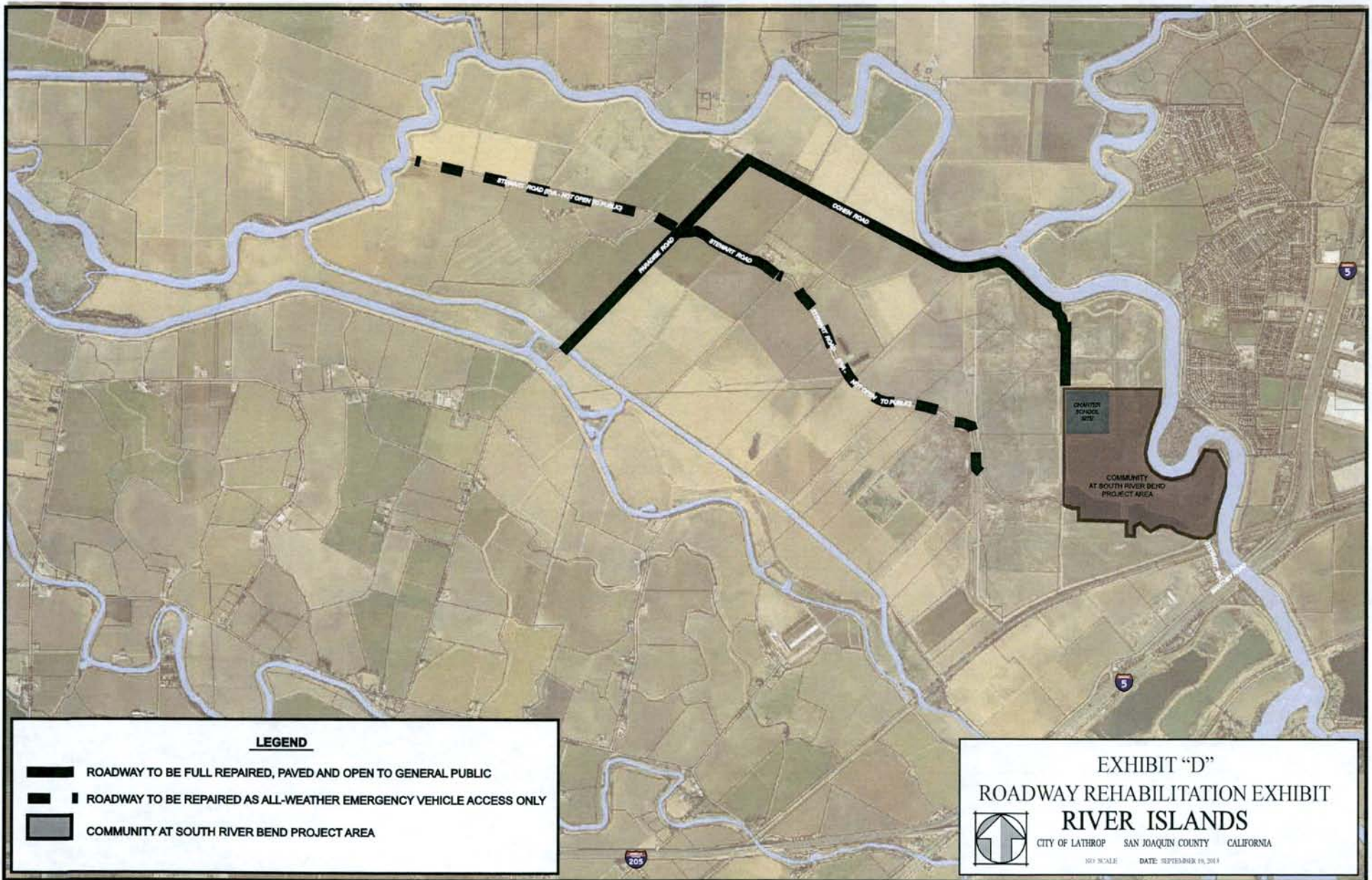
Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE

<u>Name and Address of Other Person/Organization</u>	<u>Number of Days Notice</u>
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	30 Days

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

EXHIBIT D
COHEN/PARADISE/STEWART REHABILITATION MAP



LEGEND




-  ROADWAY TO BE FULL REPAIRED, PAVED AND OPEN TO GENERAL PUBLIC
-  ROADWAY TO BE REPAIRED AS ALL-WEATHER EMERGENCY VEHICLE ACCESS ONLY
-  COMMUNITY AT SOUTH RIVER BEND PROJECT AREA

EXHIBIT "D"
ROADWAY REHABILITATION EXHIBIT
RIVER ISLANDS
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA
 NO SCALE DATE: SEPTEMBER 19, 2014

EXHIBIT E
UNFINISHED IMPROVEMENT COST ESTIMATE

ENGINEER'S BOND ESTIMATE
COST TO COMPLETE
RIVER ISLANDS - PHASE 2A
VILLAGE AA (128 LOTS)
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

September 4, 2018
 Job No.: 25502-92

Item	Description	Quantity	Unit	Unit Price	Amount
1	Storm Drain & Sanitary Sewer Manholes and Gate Valves Raising Iron <i>(95% Completion)</i>	1	LS	\$ 19,000.00	\$ 19,000.00
2	Set Water Boxes and SSCO Boxes <i>(90% Completion)</i>	1	LS	\$ 83,000.00	\$ 83,000.00
3	Survey Monuments <i>(0% Completion)</i>	1	LS	\$ 4,200.00	\$ 4,200.00
4	Signing & Striping <i>(0% Completion)</i>	1	LS	\$ 20,100.00	\$ 20,100.00
TOTAL COST TO COMPLETE					\$ 126,300.00

Notes:

- 1) Estimate for cost to complete based on contractor's cost to complete summary sheet and backup documents for Village AA.

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE AA (128 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

October 26, 2018
Job No.: 25510.81

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREETSCAPE</u>					
1	Landscape/Irrigation Improvements	72,467	SF	\$ 5.00	\$ 362,335.00
	Subtotal Streetscape				\$ 362,335.00
				TOTAL CONSTRUCTION COST (nearest \$1,000)	\$ 362,335.00
				COST PER LOT	\$ 2,831.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, frontyard/pkwy strip landscape and irrigation, or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.

EXHIBIT F

VILLAGE "AA" IMPROVEMENTS ENGINEER'S ESTIMATE

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE AA (128 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

March 7, 2018
Job No.: 25502-92

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREET WORK</u>					
1	Fine Grading	237,100	SF	\$ 0.45	\$ 106,695.00
2	3" AC Paving	32,700	SF	\$ 1.50	\$ 49,050.00
3	4.5" AC Paving	97,500	SF	\$ 2.25	\$ 219,375.00
4	6" Aggregate Base	32,700	SF	\$ 0.90	\$ 29,430.00
5	8" Aggregate Base	97,500	SF	\$ 1.20	\$ 117,000.00
6	Vertical Curb and Gutter <i>(with AB cushion)</i>	2,200	LF	\$ 15.00	\$ 33,000.00
7	Rolled Curb and Gutter <i>(with AB cushion)</i>	5,490	LF	\$ 15.00	\$ 82,350.00
8	Concrete Sidewalk	38,500	SF	\$ 5.00	\$ 192,500.00
9	Driveway Approach	106	EA	\$ 600.00	\$ 63,600.00
10	Handicap Ramps	10	EA	\$ 2,500.00	\$ 25,000.00
11	Survey Monuments	12	EA	\$ 300.00	\$ 3,600.00
12	Traffic Striping & Signage	3,900	LF	\$ 5.00	\$ 19,500.00
13	Dewatering <i>(budget)</i>	3,600	LF	\$ 40.00	\$ 144,000.00
14	Barricade	3	EA	\$ 1,500.00	\$ 4,500.00
15	Remove Existing Barricade	2	EA	\$ 500.00	\$ 1,000.00
Subtotal Street Work					\$ 1,090,600.00
<u>STORM DRAIN</u>					
16	Catch Basins <i>(type A inlet)</i>	12	EA	\$ 2,400.00	\$ 28,800.00
17	Catch Basins <i>(type A inlet over type I manhole base)</i>	12	EA	\$ 2,800.00	\$ 33,600.00
18	Catch Basins <i>(type A inlet over type II manhole base)</i>	4	EA	\$ 5,000.00	\$ 20,000.00
19	15" Storm Drain Pipe	980	LF	\$ 34.00	\$ 33,320.00
20	18" Storm Drain Pipe	420	LF	\$ 46.00	\$ 19,320.00
21	24" Storm Drain Pipe	1,030	LF	\$ 65.00	\$ 66,950.00
22	30" Storm Drain Pipe	670	LF	\$ 80.00	\$ 53,600.00
23	36" Storm Drain Pipe	4	LF	\$ 95.00	\$ 380.00
24	Manholes <i>(type I)</i>	2	EA	\$ 3,000.00	\$ 6,000.00
25	Manholes <i>(type II)</i>	1	EA	\$ 5,000.00	\$ 5,000.00
26	Connect to Existing	2	EA	\$ 1,700.00	\$ 3,400.00
27	Stub & Plug	2	EA	\$ 1,000.00	\$ 2,000.00
Subtotal Storm Drain					\$ 272,370.00
<u>SANITARY SEWER</u>					
28	8" Sanitary Sewer Pipe	3,880	LF	\$ 28.00	\$ 108,640.00
29	Manholes	12	EA	\$ 4,000.00	\$ 48,000.00
30	Sewer Service	106	EA	\$ 600.00	\$ 63,600.00
31	Plug & Stub	1	EA	\$ 1,000.00	\$ 1,000.00
32	Connect to Existing	1	EA	\$ 3,000.00	\$ 3,000.00
Subtotal Sanitary Sewer					\$ 224,240.00

Item	Description	Quantity	Unit	Unit Price	Amount
<u>WATER SUPPLY</u>					
33	8" Water Line <i>(including all appurtenances)</i>	3,940	LF	\$ 32.00	\$ 126,080.00
34	Water Plug & Stub	5	EA	\$ 1,000.00	\$ 5,000.00
35	Water Service	106	EA	\$ 2,000.00	\$ 212,000.00
36	Fire Hydrants	9	EA	\$ 4,000.00	\$ 36,000.00
37	Connect to Existing	3	EA	\$ 4,000.00	\$ 12,000.00
Subtotal Water Supply					\$ 391,080.00
<u>NON-POTABLE WATER SUPPLY</u>					
38	8" Non-Potable Water Line <i>(including all appurtenances)</i>	530	LF	\$ 35.00	\$ 18,550.00
39	Stub & Plug	1	EA	\$ 1,000.00	\$ 1,000.00
40	Connect to Existing	1	EA	\$ 3,000.00	\$ 3,000.00
Subtotal Non-Potable Water Supply					\$ 22,550.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 2,001,000.00
COST PER LOT					\$ 15,633.00

Notes:

- 1) Unit prices are based on estimated current construction costs and no provision for inflation is included.
- 2) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, landscaping, irrigation, or street trees.

ENGINEER'S PRELIMINARY COST ESTIMATE
VILLAGE AA (128 LOTS)
STAGE 2A
RIVER ISLANDS
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

October 26, 2018
Job No.: 25510.81

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREETSCAPE</u>					
1	Landscape/Irrigation Improvements	72,467	SF	\$ 5.00	\$ 362,335.00
	Subtotal Streetscape				\$ 362,335.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 362,335.00
COST PER LOT					\$ 2,831.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, frontyard/pkwy strip landscape and irrigation, or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.

EXHIBIT G

**RIPFA LETTER OF GUARANTEE
INTERIM PUBLIC ACCESS WITHIN THE STAGE 2A DEVELOPMENT AREA**

RIVER ISLANDS PUBLIC FINANCING AUTHORITY

73 W. STEWART ROAD
LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

May 4, 2017

Glenn Gebhardt, City Engineer
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330

Subject: Letter of Guarantee - Construction of Interim Public Access within the River Islands at Lathrop Stage 2A Development Area

This Letter of Guarantee is being made in lieu of a performance bond for the construction of an interim public access (public right of way) within the Stage 2A development area of the River Islands development project. River Islands Development, LLC ("RID") has requested the permanent closure of Cohen Road from Stage 1 to Paradise Road and Paradise Road from Stewart Road to the Stage 2A levee (see Exhibit "A" attached to this Letter of Guarantee). This closure would allow the construction of the Stage 2B levee system. The closure will not allow public traffic to utilize Paradise Road to access the River Islands development area while the construction of the Stage 2B levee is occurring, but still allow emergency vehicles access to the area via all-weather access roads.

RID plans to construct River Islands Parkway from its current terminus in Stage 1, through the Stage 2A development area and into Stage 2B and reconstruct Paradise Road within Stage 2B to restore public access to the project from the Tracy/Banta area. Until these roads are constructed and dedicated to the City for public use, the City is requiring security to restore public access to Paradise Road should RID fail to perform. We are providing you this Letter of Guarantee for this purpose.

The engineer's estimate as provided by O'Dell Engineering for a 28-foot-wide paved roadway, equivalent to existing Cohen Road, in the general alignment of proposed River Islands Parkway from Stage 1 to Paradise Road through Stage 2B is \$453,000 (See Exhibit "B"). The total length of this "guarantee roadway" is 6,150 linear feet. As a result, the Authority hereby agrees to set-aside funds in the amount of \$543,600, which amount is equal to 120% of the engineer's estimate, in-lieu of a performance bond. The funds are currently held, and will be set aside, in the Improvement Fund established under the Fiscal Agent Agreement, dated as of December 1, 2015, between the Authority and Wilmington Trust, National Association, as fiscal agent. The Joint Community Facilities Agreement, dated as of November 16, 2015, between the Authority and the City allows for funds in the Improvement Fund to be used to pay costs of infrastructure improvements for the River Islands development, including roadways.

Under the terms of this Letter of Guarantee, the Authority shall hold the funds as stated herein in the Improvement Fund until August 1, 2020, or until such time that permanent roadways are

constructed and dedicated to the City to restore permanent public access to Paradise Road, whichever comes first. If the permanent roadways are not constructed, inspected and accepted by the City by August 1, 2020 and the deadline is not extended by the City in writing, no later than August 2, 2020, the Authority will cause one of the following to occur:


1. The Authority shall use the funds set aside in the Improvement Fund to construct a 28-foot-wide paved roadway in a new alignment, equivalent to the existing Cohen Road or, to reconstruct the existing 28-foot-wide paved Cohen and Paradise roadways in the original alignment at the City's direction. The Authority shall utilize a suitable contractor and bid the work under applicable law. The Authority and the City shall mutually agree to a timeline to which the roadways necessary to restore access are constructed, inspected and operational, not to exceed December 31, 2020-.
2. The Authority shall withdraw the funds from the set aside monies in the Improvement Fund and provide said monies to the City, to be held in a segregated account maintained by the City, to be used solely for construction or reconstruction of the applicable roadways. In such event, the City will use reasonable diligence to complete the construction of the roadways. Once permanent access has been constructed to the satisfaction of the City Engineer, and all costs related thereto have been paid, the City shall return any of the unspent funds and any investment earnings thereon to the Authority for redeposit to the Improvement Fund. Until the completion of the roadways and return of any excess funds to the Authority, the City will maintain records as to the reinvestment of the funds provided to it, and will provide the Authority with its records as to any such investment earnings upon written request of the Authority. Additionally, in the event that the City advises the Authority in writing that the funds provided to the City are not sufficient to pay all of the costs associated with the roadways necessary to restore public access, and advises the Authority as to the amount of the shortfall, the Authority will advance funds to the City from the Improvement Fund in the amount of the shortfall. In such event, and upon the written request of the Authority, the City will provide to the Authority a detailed breakdown of the costs of the construction of the remaining roadway work necessary to restore public access.
3. Since the construction of roadways within Stages 2A and 2B are phased and will continue to be constructed by RID, RD 2062 or the Authority over time, the Authority may request a reduction in the amount of funds necessary to be held from the Improvement Fund as segments of permanent public roadways are constructed and dedicated to the City. For instance, segments of River Islands Parkway through Stage 2A should be completed in late 2017/early 2018 and dedication of this segment would reduce the amount of security described herein. As a result, a reduction of \$88.40 per LF (\$543,600/6,150 LF) shall be granted for each linear foot permanently constructed and dedicated to the City.

The Authority shall retain the discretion to choose between the two options outlined above as the applicable security and to request reduction of the security as described in section 3 above. As confirmation of the acceptance of the terms and conditions of this Letter of Guarantee by the

Glenn Gebhardt, City Engineer
City of Lathrop
May 4, 2017
Page 3 of 3

City, please sign and date this letter as shown on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at (209) 879-7900.


Sincerely,

By: 
Herb Moniz, Executive Director
River Islands Public Financing Authority

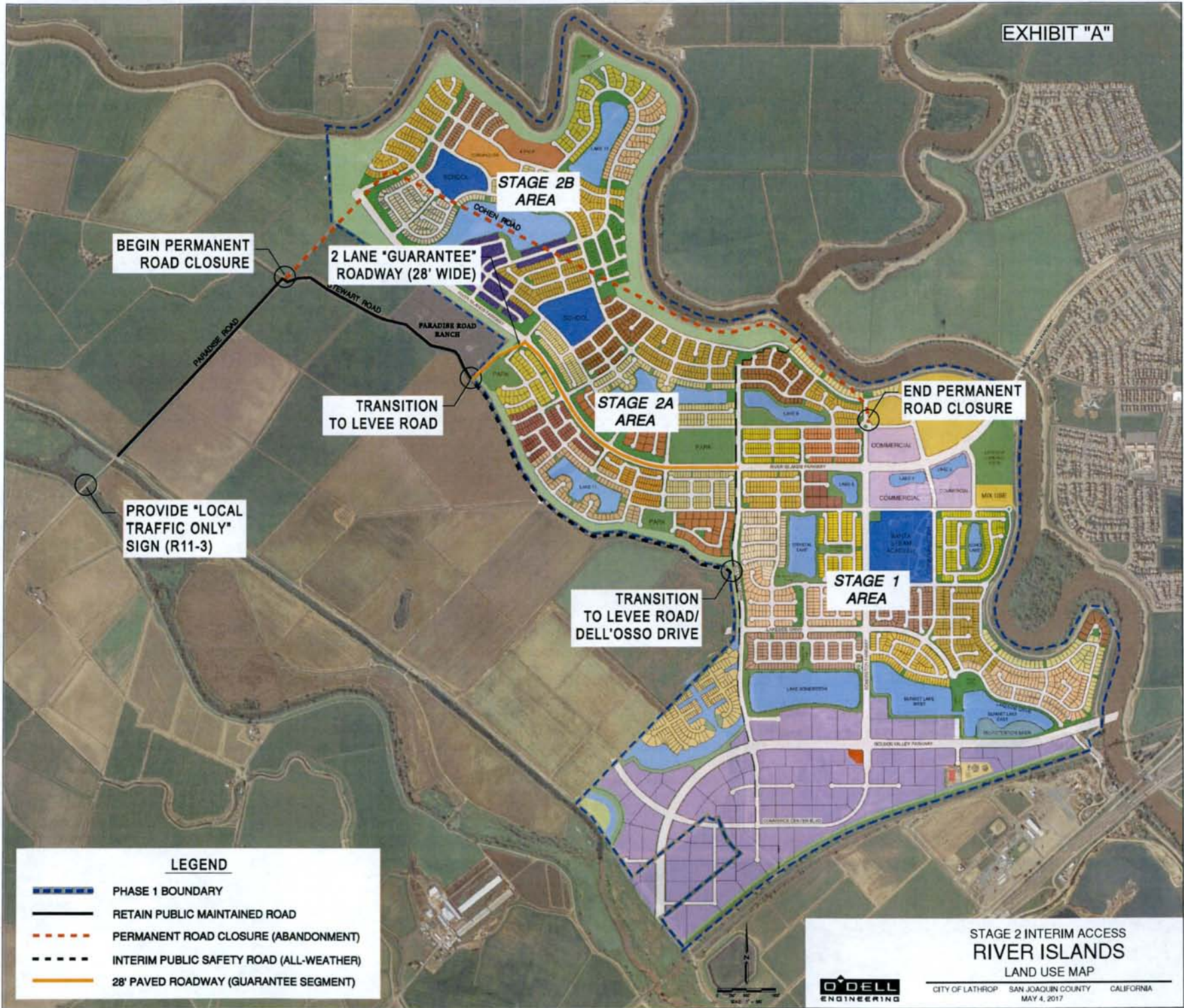
Enclosures: Exhibit "A": Location of Applicable Roadways – Cohen/Paradise
Exhibit "B": O'Dell Engineering – Engineer's Estimates

cc: Susan Dell'Osso, River Islands Development, LLC
John Zhang, O'Dell Engineering, Inc.

I Accept on Behalf of the City of Lathrop the Terms and Conditions of the foregoing Letter of Guarantee.

By: 
Glenn R. Gebhardt, City Engineer

May 15, 2017
Date



BEGIN PERMANENT ROAD CLOSURE

2 LANE "GUARANTEE" ROADWAY (28' WIDE)

TRANSITION TO LEVEE ROAD

PROVIDE "LOCAL TRAFFIC ONLY" SIGN (R11-3)

STAGE 2B AREA

STAGE 2A AREA

END PERMANENT ROAD CLOSURE

STAGE 1 AREA

TRANSITION TO LEVEE ROAD/ DELL'OSSO DRIVE

LEGEND

- - - - - PHASE 1 BOUNDARY
- RETAIN PUBLIC MAINTAINED ROAD
- - - - - PERMANENT ROAD CLOSURE (ABANDONMENT)
- - - - - INTERIM PUBLIC SAFETY ROAD (ALL-WEATHER)
- 28' PAVED ROADWAY (GUARANTEE SEGMENT)

STAGE 2 INTERIM ACCESS
RIVER ISLANDS
 LAND USE MAP



CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA
 MAY 4, 2017

EXHIBIT "B"



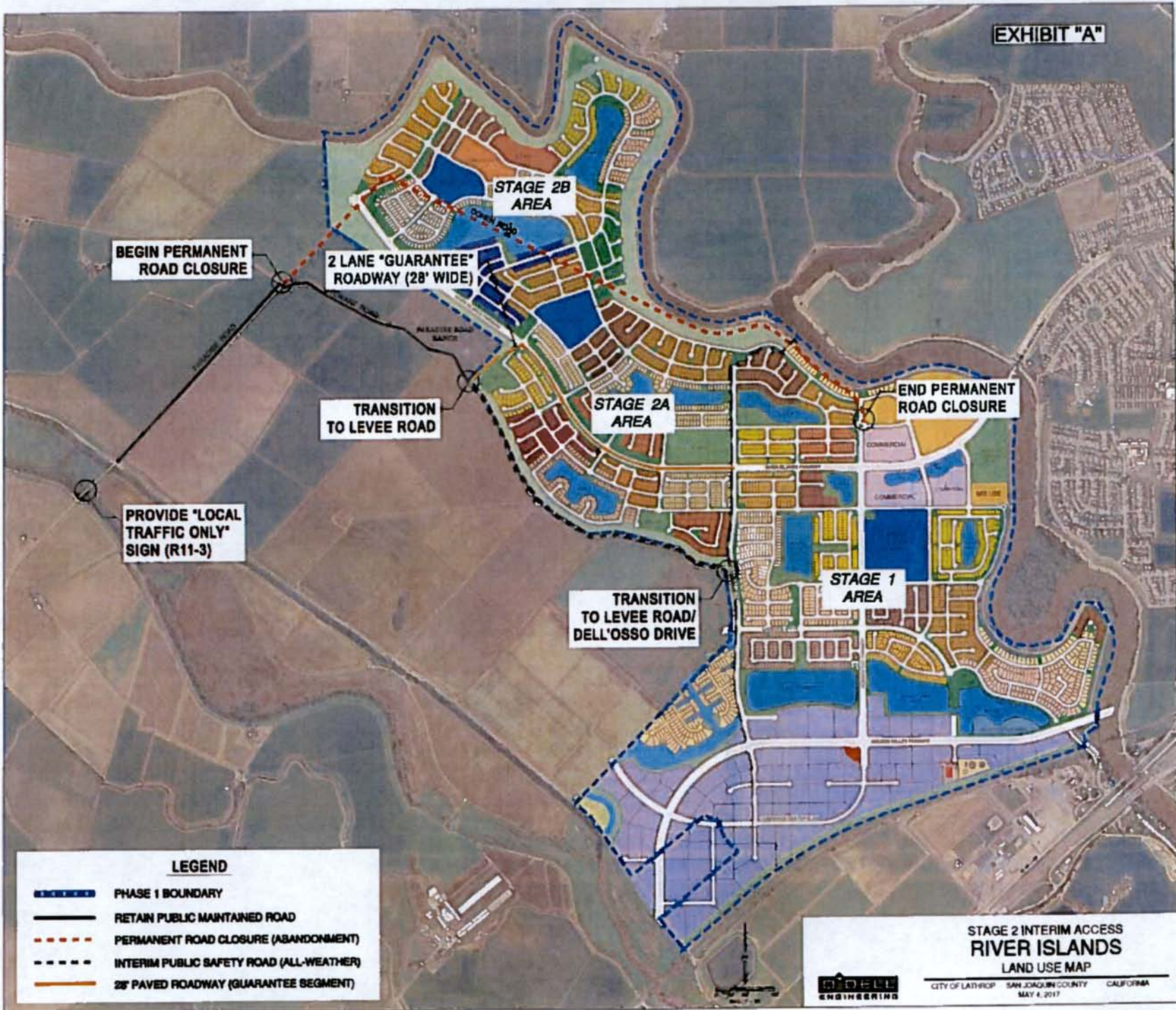
ENGINEER'S OPINION OF PROBABLE COST
INTERIM ROAD CONNECTION - STAGE 2A
GUARANTEE
RIVER ISLANDS - PHASE 1
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

May 4, 2017

Item	Description	Quantity	Unit	Unit Price	Amount
<u>SITE PREPARATION</u>					
1	Mobilization ¹	1	LS	\$ 25,000.00	\$ 22,750.00
2	Erosion Control	1	LS	\$ 2,500.00	\$ 2,500.00
Subtotal Site Preparation					\$ 25,250.00
<u>GRADING</u>					
3	Earthwork ²	1,600	CY	\$ 5.00	\$ 8,000.00
Subtotal Grading					\$ 8,000.00
<u>MISCELLANEOUS</u>					
4	3" AC (6150 LF)	172,200	SF	\$ 1.50	\$ 258,300.00
5	6" AB (6150 LF)	172,200	SF	\$ 0.90	\$ 154,980.00
6	Conform to Existing	2	LS	\$ 3,000.00	\$ 6,000.00
Subtotal Miscellaneous					\$ 419,280.00
SUBTOTAL CONSTRUCTION COST					\$ 452,530.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 453,000.00

Notes:

- 1) Mobilization assumed to be 5% of total cost.
- 2) Earthwork quantity includes 35% shrinkage.



LEGEND

- - - - - PHASE 1 BOUNDARY
- RETAIN PUBLIC MAINTAINED ROAD
- - - - - PERMANENT ROAD CLOSURE (ABANDONMENT)
- - - - - INTERIM PUBLIC SAFETY ROAD (ALL-WEATHER)
- 28' PAVED ROADWAY (GUARANTEE SEGMENT)

**STAGE 2 INTERIM ACCESS
RIVER ISLANDS
LAND USE MAP**

CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA
MAY 4, 2017

DELL ENGINEERING

EXHIBIT "B"



ENGINEER'S OPINION OF PROBABLE COST
 INTERIM ROAD CONNECTION - STAGE 2A
 GUARANTEE
 RIVER ISLANDS - PHASE 1
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

May 4, 2017

Item	Description	Quantity	Unit	Unit Price	Amount
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SUBTOTAL CONSTRUCTION COST					\$ 452,530.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 453,000.00

Notes:

- 1) Mobilization assumed to be 5% of total cost.
- 2) Earthwork quantity includes 35% shrinkage.

EXHIBIT H

**RIPFA LETTER OF GUARANTEE
RIVER ISLANDS PARKWAY WITHIN THE STAGE 2A DEVELOPMENT AREA**

RIVER ISLANDS PUBLIC FINANCING AUTHORITY

73 W. STEWART ROAD

LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

June 26, 2018

Glenn Gebhardt, City Engineer
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330

Subject: Letter of Guarantee - Construction of River Islands Parkway from Dell'Osso Drive to the Stage 2B Boundary (Lakeside East District) – Tract 3908

This Letter of Guarantee is being made in lieu of a performance bond for the construction of unfinished portions of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary within the Stage 2A development area of the River Islands development project (also known as the Lakeside East District). River Islands Public Financing Authority (Authority) is providing the funding for public improvements in the Stage 2A development area, including improvements to River Islands Parkway (Improvements). It is our understanding that a guarantee for construction of the River Islands Parkway Improvements through Stage 2A is required as a condition precedent to City Council approval of the Tract 3908 large lot subdivision map proposed by River Islands Development, LLC. Since the Authority is already setting aside funds for the full construction of River Islands Parkway, we are providing you this Letter of Guarantee as the required subdivision guarantee necessary for the Tract 3908 large lot final map.

The engineer's estimates as provided by O'Dell Engineering for the full cost of the of River Islands Parkway Improvements from Dell'Osso Drive to the Stage 2B boundary is \$5,264,000, and for the unfinished portions (as of June 15, 2018) of River Islands Parkway from Dell'Osso Drive to the Stage 2B boundary is \$338,004 (attached as Exhibit "A"). The Authority hereby agrees to set-aside funds in the amount of \$450,000, which amount is equal to 180% of this engineer's estimate of the unfinished improvements, in-lieu of a 100% performance bond and 50% labor and materials bond. The funds are currently held, and will be set aside, in the Improvement Fund established under the Fiscal Agent Agreement, dated as of December 1, 2015, between the Authority and Wilmington Trust, National Association, as fiscal agent. The Joint Community Facilities Agreement, dated as of November 16, 2015, between the Authority and the City allows for funds in the Improvement Fund to be used to pay costs of infrastructure improvements for the River Islands development, including River Islands Parkway. Also attached to this Letter of Guarantee is an exhibit showing the portion of River Islands Parkway being guaranteed by this letter for your reference (Exhibit "B").

Under the terms of this Letter of Guarantee, the Authority shall hold the funds as stated herein in the Improvement Fund until July 8, 2019, or until such time River Islands Parkway through Stage 2A is fully constructed, inspected and accepted into service by the City, whichever comes first. If this portion of River Islands Parkway is not constructed, inspected and accepted into service by the City by July 8, 2019 and the deadline is not extended by the City in writing, no later than September 30, 2019, the Authority will cause one of the following to occur:

1. The Authority shall use the funds set aside in the Improvement Fund to construct the River Islands Parkway Improvements. The Authority shall utilize a suitable contractor and bid the work under applicable law. The Authority and the City shall mutually agree to a timeline to which the roadway will be constructed, inspected and operational, no later than one year from the deadline noted above.
2. The Authority shall withdraw the funds from the set aside monies in the Improvement Fund and provide said monies to the City, to be held in a segregated account maintained by the City, to be used solely for construction or reconstruction of the applicable portion of River Islands Parkway. In such event, the City will use reasonable diligence to complete the construction of the River Islands Parkway. Until the completion of the River Islands Parkway and return of any excess funds to the Authority, the City will maintain records as to the reinvestment of the funds provided to it and will provide the Authority with its records as to any such investment earnings upon written request of the Authority. Additionally, in the event that the City advises the Authority in writing that the funds provided to the City are not sufficient to pay all of the costs of the construction of the River Islands Parkway and advises the Authority as to the amount of the shortfall, the Authority will advance funds to the City from the Improvement Fund in the amount of the shortfall. In such event, and upon the written request of the Authority, the City will provide to the Authority a detailed breakdown of the costs of the construction of the unfinished portions of River Islands Parkway through Stage 2A.

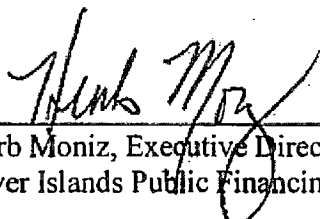
The Authority shall retain the discretion to choose between the two options outlined above. However, if any River Islands Parkway improvements remain incomplete on September 30, 2020, the Authority shall immediately resort to Option 2, and shall provide set aside moneys in the Improvement Fund as requested by the City to allow the City to complete the uncompleted improvements.

In addition, the commitment for the Authority to set aside these funds shall continue until the Improvements are constructed and accepted by the City Council, and the developer provides a one year maintenance bond in the amount of \$526,400 (10% of the full cost of the Improvements), or until the Authority provides an acceptable replacement letter of guarantee in that same amount of \$526,400 to guarantee the quality and condition of the full Improvements for one year from the date of acceptance by the City Council.

Glenn Gebhardt, City Engineer
City of Lathrop – Letter of Guarantee for Tract 3908
June 15, 2018
Page 3 of 3

As confirmation of the acceptance of the terms and conditions of this Letter of Guarantee by the City, please sign and date this letter as shown on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at (209) 879-7900.

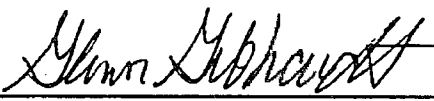
Sincerely,

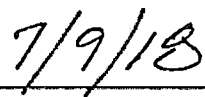
By: 
Herb Moniz, Executive Director
River Islands Public Financing Authority

Enclosures: Exhibit "A": Engineer's Estimate of full improvements from O'Dell Engineering
and Engineer's Estimate of unfinished improvements from O'Dell
Engineering
Exhibit "B": Location of guarantee on River Islands Parkway

cc: Susan Dell'Osso, River Islands Development, LLC

I Accept on Behalf of the City of Lathrop the Terms and Conditions
of the foregoing Letter of Guarantee.

By: 
Glenn R. Gebhardt, City Engineer


Date

ENGINEER'S OPINION OF PROBABLE COST
 RIVER ISLANDS - STAGE 2A
 RIVER ISLANDS PARKWAY
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

March 6, 2018
 Job No.: 25503-01

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREET WORK</u>					
1	Fine Grading	621,700	SF	\$ 0.45	\$ 279,765.00
2	7" AC Paving	316,800	SF	\$ 3.50	\$ 1,108,800.00
3	11" Aggregate Base	316,800	SF	\$ 1.65	\$ 522,720.00
4	12" Lime Treatment	316,800	SF	\$ 1.10	\$ 348,480.00
5	Vertical Curb and Gutter <i>(with AB cushion)</i>	9,600	LF	\$ 15.00	\$ 144,000.00
6	Type F Median Curb <i>(with AB cushion)</i>	9,100	LF	\$ 18.00	\$ 163,800.00
7	Roundabout Concrete	2,400	SF	\$ 5.00	\$ 12,000.00
8	Concrete Sidewalk	77,400	SF	\$ 5.00	\$ 387,000.00
9	Handicap Ramps	20	EA	\$ 2,500.00	\$ 50,000.00
10	Survey Monuments	7	EA	\$ 300.00	\$ 2,100.00
11	Barricades	1	EA	\$ 1,500.00	\$ 1,500.00
12	Traffic Signing & Striping	4,710	LF	\$ 5.00	\$ 23,550.00
13	Dewatering <i>(Budget)</i>	4,710	LF	\$ 75.00	\$ 353,250.00
Subtotal Street Work					\$ 3,396,965.00
<u>STORM DRAIN</u>					
14	Catch Basins <i>(type A inlet)</i>	24	EA	\$ 2,400.00	\$ 57,600.00
15	15" Storm Drain Pipe	1,110	LF	\$ 34.00	\$ 37,740.00
16	18" Storm Drain Pipe	220	LF	\$ 46.00	\$ 10,120.00
17	24" Storm Drain Pipe	780	LF	\$ 65.00	\$ 50,700.00
18	Storm Drain Stub & Plug	9	EA	\$ 1,000.00	\$ 9,000.00
Subtotal Storm Drain					\$ 165,160.00
<u>SANITARY SEWER</u>					
19	24" Sanitary Sewer Pipe	50	LF	\$ 150.00	\$ 7,500.00
20	Manholes	24	LF	\$ 4,000.00	\$ 96,000.00
21	Connect to Existing Sanitary Sewer	2	EA	\$ 3,000.00	\$ 6,000.00
Subtotal Sanitary Sewer					\$ 109,500.00
<u>WATER SUPPLY</u>					
22	8" Water Line <i>(including all appurtenances)</i>	740	LF	\$ 32.00	\$ 23,680.00
23	10" Water Line <i>(including all appurtenances)</i>	280	LF	\$ 40.00	\$ 11,200.00
24	20" Water Line <i>(including all appurtenances)</i>	4,630	LF	\$ 100.00	\$ 463,000.00
25	Fire Hydrants	16	EA	\$ 4,000.00	\$ 64,000.00
26	Water Service	6	EA	\$ 2,000.00	\$ 12,000.00
27	Water Plug & Stub	9	EA	\$ 1,000.00	\$ 9,000.00
28	Connect to Existing Water	1	EA	\$ 4,000.00	\$ 4,000.00
Subtotal Water Supply					\$ 586,880.00

Item	Description	Quantity	Unit	Unit Price	Amount
<u>RECYCLED WATER</u>					
29	8" Recycled Water Flushing Line <i>(including all appurtenances)</i>	80	LF	\$ 45.00	\$ 3,600.00
30	12" Recycled Water Drain Line <i>(including all appurtenances)</i>	150	LF	\$ 55.00	\$ 8,250.00
31	16" Recycled Water Line <i>(including all appurtenances)</i>	4,650	LF	\$ 65.00	\$ 302,250.00
32	Recycled Water Plug & Stub	4	EA	\$ 1,000.00	\$ 4,000.00
33	Connect to Existing Recycled Water	1	EA	\$ 5,000.00	\$ 5,000.00
Subtotal Recycled Water					\$ 323,100.00
<u>NON-POTABLE WATER</u>					
34	8" Non-Potable Water Line <i>(including all appurtenances)</i>	650	LF	\$ 35.00	\$ 22,750.00
35	16" Non-Potable Water Line <i>(including all appurtenances)</i>	4,660	LF	\$ 80.00	\$ 372,800.00
36	Non-Potable Water Service	6	LF	\$ 2,000.00	\$ 12,000.00
37	Non-Potable Water Plug & Stub	7	EA	\$ 1,000.00	\$ 7,000.00
38	Connect to Existing Non-Potable Water	1	EA	\$ 3,000.00	\$ 3,000.00
Subtotal Irrigation Water					\$ 417,550.00
<u>LAKE FILL LINE</u>					
39	16" Lake Fill Line <i>(including all appurtenances)</i>	4,820	LF	\$ 50.00	\$ 241,000.00
40	3" Aeration Line <i>(including all appurtenances)</i>	4,820	LF	\$ 4.00	\$ 19,280.00
41	Lake Fill Stub & Plug	3	EA	\$ 1,000.00	\$ 3,000.00
42	Connect to Existing Lake Fill Line	1	EA	\$ 1,000.00	\$ 1,000.00
Subtotal Lake Fill Line					\$ 264,280.00
SUBTOTAL CONSTRUCTION COST					\$ 5,263,435.00
TOTAL CONSTRUCTION COST (nearest \$1,000)					\$ 5,264,000.00

Notes:

- 1) This estimate does not include surveying, engineering, clearing, grading, erosion control, joint trench, landscaping, irrigation, or street trees.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.



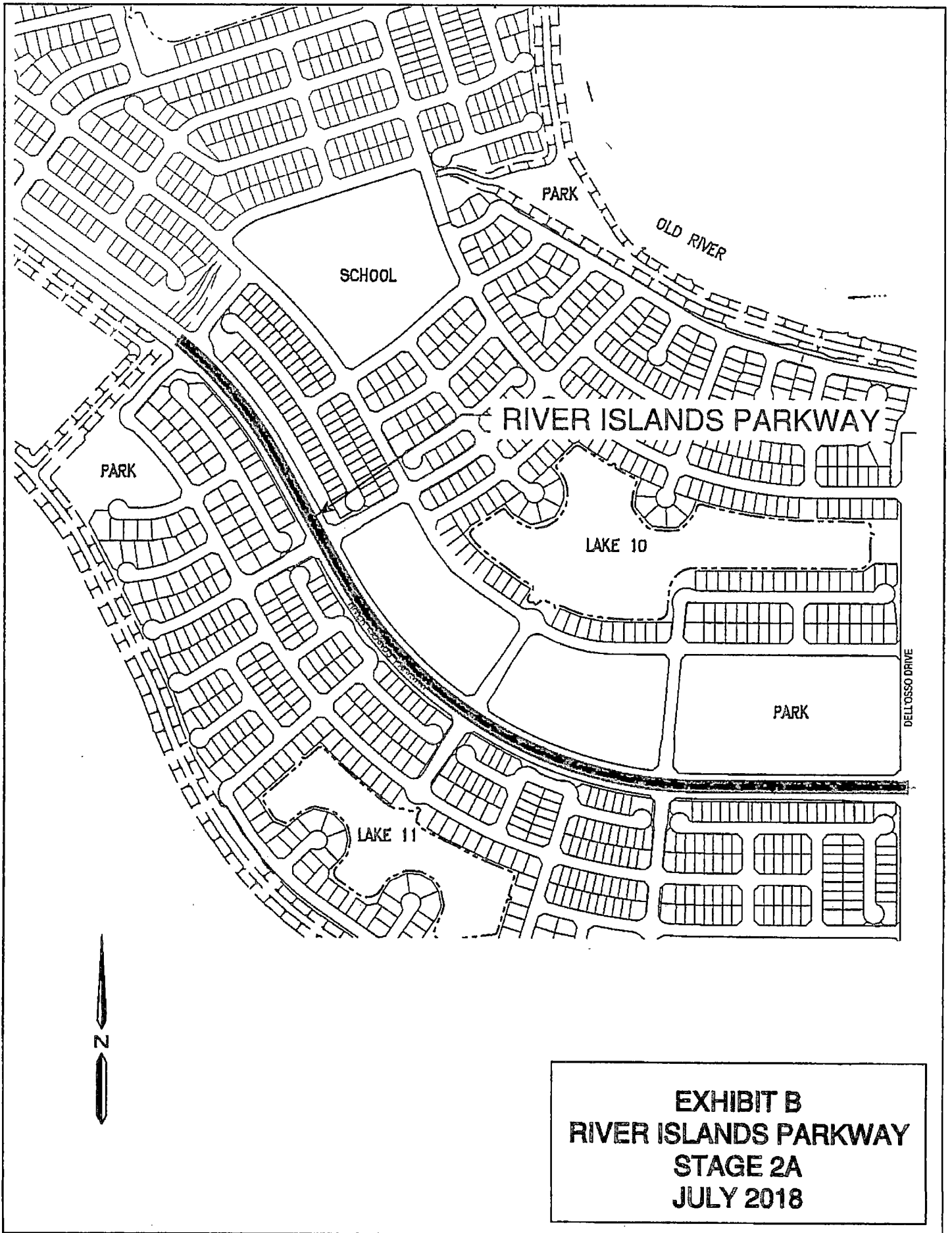
ENGINEER'S BOND ESTIMATE
COST TO COMPLETE
RIVER ISLANDS - STAGE 2A
RIVER ISLANDS PARKWAY
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

June 13, 2018
Job No.: 25503-01

Item	Description	Quantity	Unit	Unit Price	Amount
1	Sanitary Sewer & Water Raising Iron (95% Completion)	1	LS	\$ 54,400.00	\$ 54,400.00
2	Final AC Lift (90% Completion)	1	LS	\$ 246,604.00	\$ 246,604.00
3	Final Signing, Striping & Monument (0% Completion)	1	LS	\$ 37,000.00	\$ 37,000.00
TOTAL COST TO COMPLETE					\$ 338,004.00

Notes:

- 1) Estimate for cost to complete based on contractor's cost to complete summary sheet and backup documents for Stage 2A River Islands Parkway (Dell'Osso Drive to Stage 2A/2B Levee) dated June 12, 2018.



**EXHIBIT B
RIVER ISLANDS PARKWAY
STAGE 2A
JULY 2018**

EXHIBIT I

**IRREVOCABLE OFFER OF DEDICATION
RIVERFRONT DRIVE & BOSCH AVENUE**



Recording Requested by and
Please Return to:

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, California 95330

*This Instrument Benefits City Only.
No Fee Required.*

This Space Above for Recorder's Use Only

**IRREVOCABLE OFFER OF DEDICATION OF EASEMENT
FOR PUBLIC ROADWAY PURPOSES AND PUBLIC UTILITY EASEMENT
(TRACT 4001 – OFFSITE ROADWAY DEDICATION – RIVERFRONT DRIVE &
BOSCH AVENUE)**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, River Islands Development, LLC, a California limited liability company, hereby grant(s) to the CITY OF LATHROP, a municipal corporation in the County of San Joaquin, State of California, an easement for ingress, egress and road purposes, and a public utility easement (PUE), over and across the hereinafter described real property situated in City of Lathrop and more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California, and may be accepted at any time by the City Engineer of the City of Lathrop. This Offer of Dedication may be terminated, and right to accept such offer abandoned in the same manner as is prescribed for the vacation of streets or highways by Part 3 of Division 9, or Chapter 2 of Division 2 of the Streets and Highways Code of the State of California, whichever is applicable.

The above described easement is to be kept open, clear and free from buildings and structures of any kind. This Offer of Dedication shall be irrevocable and shall be binding on the Grantor's heirs, executors, administrators, successors and assigns.

SIGNATURES:

Signed this _____ day of _____, 2018

RIVER ISLANDS DEVELOPMENT, LLC
a California limited liability company

By: _____
Name: Susan Dell'Osso
Its: President

(Notary Acknowledgment Required for Each Signatory)

This is to certify that the interest in real property offered herein to the City of Lathrop is hereby acknowledged by the undersigned, City Clerk, on behalf of the City of Lathrop City Council to authority conferred by the Lathrop Municipal Code and the grantee(s) consent(s) to the recordation thereof by its duly authorized officer

TERESA VARGAS, CITY CLERK

By: _____

Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION
OFFSITE ROADWAY DEDICATION AND ADJACENT PUBLIC UTILITY EASEMENT
(RIVERFRONT DRIVE & BOSCH AVENUE)

(See Attached)

EXHIBIT A
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION FOR RIGHT-OF-WAY PURPOSES
TRACT 4001 - VILLAGE AA
OFFSITE ROADWAY DEDICATION- MULHOLLAND DRIVE AND BOSCH AVENUE
RIVER ISLANDS
LATHROP, CALIFORNIA

CERTAIN REAL PROPERTY SITUATE IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCELS 2, 14 AND 17, AS SAID PARCELS ARE SHOWN ON THAT CERTAIN MAP ENTITLED "TRACT 3908, RIVER ISLANDS, STAGE 2A, LARGE LOT FINAL MAP", FILED SEPTEMBER 20, 2018, IN BOOK 43 OF MAPS AND PLATS, AT PAGE 52, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1 (ROADWAY EASEMENT):

BEGINNING AT THE NORTHEASTERN CORNER OF SAID PARCEL 2, AT THE NORTHEASTERLY TERMINUS OF COURSE L208, LABELED AS "NORTH 45°00'00" EAST 35.36 FEET", AS SHOWN ON SHEET 17 OF SAID MAP OF TRACT 3908;

THENCE, LEAVING SAID POINT OF BEGINNING, ALONG THE NORTHERN LINE OF SAID PARCEL 2, AS SHOWN ON SAID MAP, THE FOLLOWING TEN (10) COURSES:

- 1) SOUTH 45°00'00" WEST 35.36 FEET,
- 2) WEST 373.50 FEET,
- 3) NORTH 44°30'23" WEST 35.66 FEET,
- 4) NORTH 88°53'58" WEST 60.00 FEET,
- 5) SOUTH 46°47'50" WEST 35.85 FEET,
- 6) ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1,970.00 FEET, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 02°36'27" EAST, THROUGH A CENTRAL ANGLE OF 16°24'40", AN ARC DISTANCE OF 564.26 FEET,
- 7) NORTH 25°10'17" WEST 35.85 FEET,
- 8) NORTH 69°21'40" WEST 60.00 FEET,
- 9) SOUTH 66°26'57" WEST 35.85 FEET, AND
- 10) ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1,970.00 FEET, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 22°15'34" EAST, THROUGH A CENTRAL ANGLE OF 18°12'03", AN ARC DISTANCE OF 625.80 FEET;

THENCE, LEAVING SAID NORTHERN LINE, ALONG THE MOST WESTERN LINE OF PARCEL 14, AS SHOWN ON SAID MAP, ALONG A COMPOUND CURVE TO THE RIGHT, HAVING A RADIUS OF 52.00 FEET, THROUGH A CENTRAL ANGLE OF 92°27'01", AN ARC DISTANCE OF 83.91 FEET;

THENCE, ALONG THE SOUTHEASTERN LINE OF PARCEL 17, AS SHOWN ON SHEET 16 OF SAID MAP, THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 42°54'38" EAST 533.82 FEET, AND
- 2) NORTH 68°38'37" WEST 64.51 FEET;

THENCE, LEAVING SAID SOUTHEASTERN LINE, SOUTH 42°54'38" WEST 510.12 FEET TO A POINT ON THE SOUTHWESTERN LINE OF SAID PARCEL 17, SAID POINT BEING THE NORTHWESTERN TERMINUS OF COURSE L188, LABELED AS "NORTH 47°05'22" WEST 60.00 FEET", AS SHOWN ON SHEET 16 OF SAID MAP;

THENCE, ALONG THE SOUTHWESTERN LINE OF SAID PARCEL 17, AS SHOWN ON SAID MAP,
THE FOLLOWING TWO (2) COURSES:

- 1) ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 52.00 FEET,
THROUGH A CENTRAL ANGLE OF 92°27'01", AN ARC DISTANCE OF 83.91 FEET,
AND
- 2) SOUTH 44°10'58" WEST 60.01 FEET;

THENCE, LEAVING SAID SOUTHWESTERN LINE OF PARCEL 17, ALONG A NON-TANGENT CURVE
TO THE RIGHT, HAVING A RADIUS OF 58.00 FEET, FROM WHICH THE CENTER OF SAID CURVE
BEARS SOUTH 45°19'34" WEST, THROUGH A CENTRAL ANGLE OF 87°35'04", AN ARC DISTANCE
OF 88.66 FEET;

THENCE, SOUTH 47°05'22" EAST 60.00 FEET TO A POINT ON THE NORTHWESTERN LINE OF
SAID PARCEL 2, AT THE NORTHEASTERN TERMINUS OF COURSE L190, LABELED AS "NORTH
42°54'38" EAST 60.62 FEET", AS SHOWN ON SHEET 17 OF SAID MAP;

THENCE, ALONG THE NORTHERN LINE OF SAID PARCEL 2, ALONG A NON-TANGENT CURVE TO
THE RIGHT, HAVING A RADIUS OF 58.00 FEET, FROM WHICH THE CENTER OF SAID CURVE
BEARS SOUTH 47°05'22" EAST, THROUGH A CENTRAL ANGLE OF 87°35'04", AN ARC DISTANCE
OF 88.66 FEET;

THENCE, LEAVING SAID NORTHERN LINE, ALONG A REVERSE CURVE TO THE LEFT, HAVING A
RADIUS OF 2,030.00 FEET, THROUGH A CENTRAL ANGLE OF 40°29'42", AN ARC DISTANCE OF
1434.75 FEET;

THENCE, EAST 395.00 FEET;

THENCE, SOUTH 45°00'00" EAST 35.36 FEET TO A POINT ON THE EASTERN LINE OF SAID
PARCEL 2;

THENCE, ALONG SAID EASTERN LINE OF PARCEL 2, NORTH 110.00 FEET TO SAID POINT OF
BEGINNING.

CONTAINING 3.80 ACRES, MORE OR LESS.

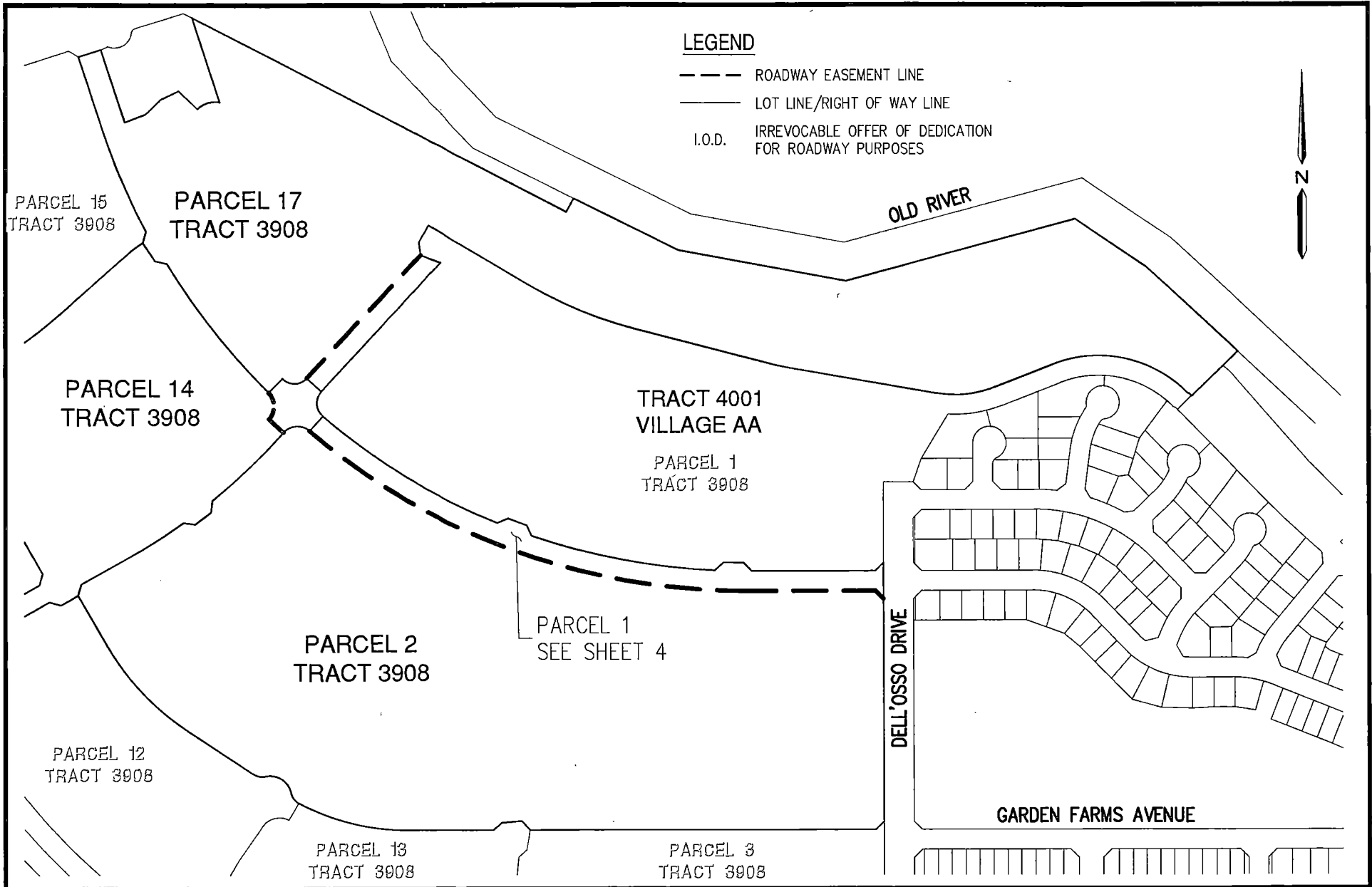
ATTACHED HERETO IS A PLAT TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS
REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION

PAUL KITTREDGE
PROFESSIONAL LAND SURVEYOR
CALIFORNIA NO. 5790

DATE





SCALE: 1" = 400'

DRAWN BY: BK

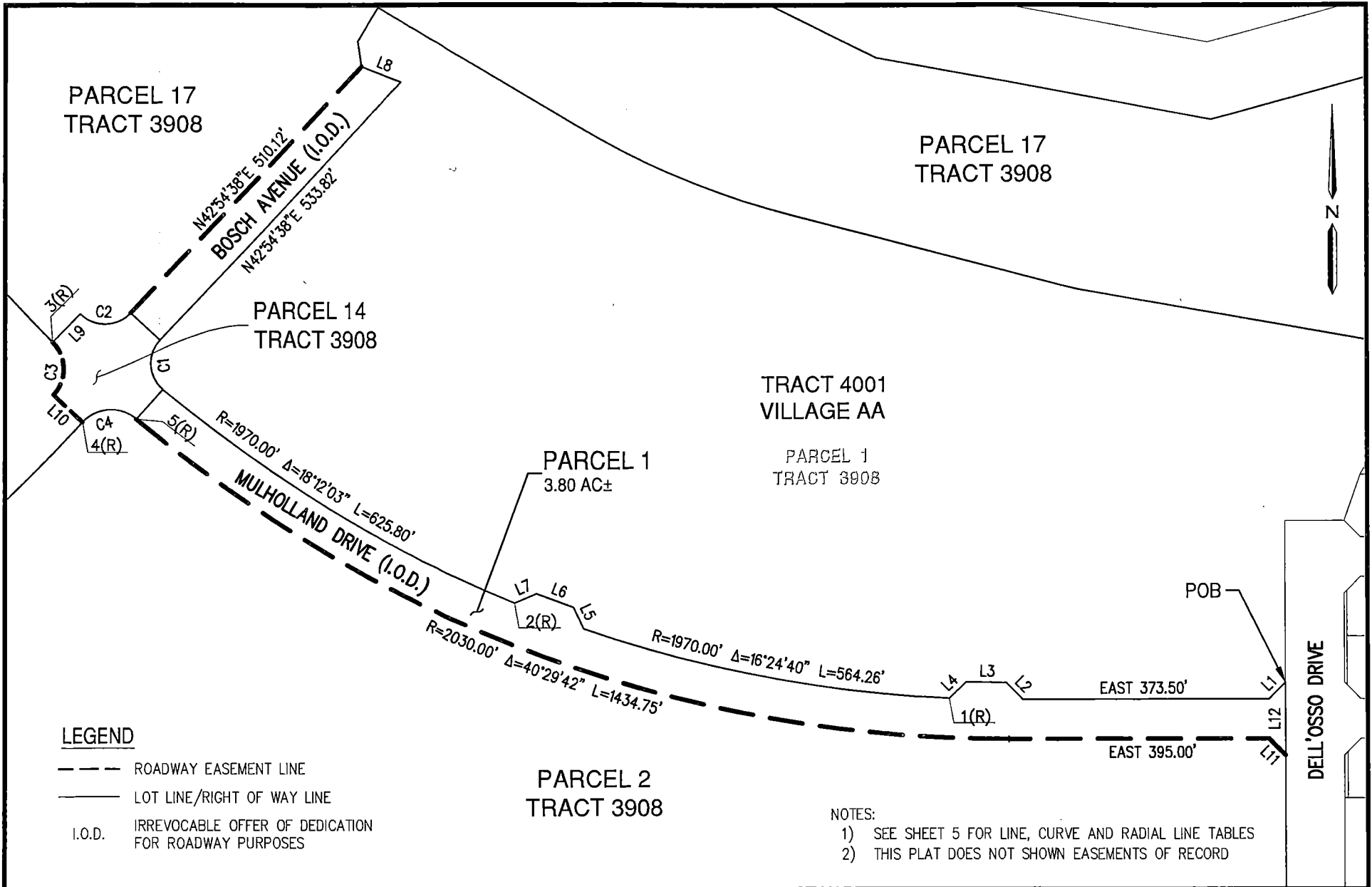
FILE:

DATE: 10/1/2018

SHEET: 3 OF 5

EXHIBIT A
RIVER ISLANDS - STAGE 2A, VILLAGE AA
 TRACT 4001- OFFSITE ROADWAY EASEMENT
 IRREVOCABLE OFFER OF DEDICATION - MULHOLLAND DRIVE AND BOSCH AVENUE
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA





SCALE: 1" = 200'	
DRAWN BY: BK	
FILE:	
DATE: 10/1/2018	SHEET: 4 OF 5

EXHIBIT A
RIVER ISLANDS - STAGE 2A, VILLAGE AA
TRACT 4001- OFFSITE ROADWAY EASEMENT
IRREVOCABLE OFFER OF DEDICATION - MULHOLLAND DRIVE AND BOSCH AVENUE
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA

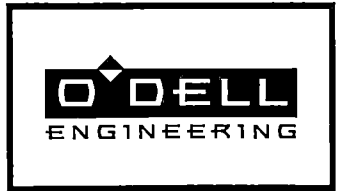


EXHIBIT J
COMMON USE AGREEMENT BETWEEN CITY AND RD 2062
RIVERFRONT DRIVE

**COMMON USE AGREEMENT
FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE
BY AND BETWEEN THE**

**CITY OF LATHROP
AND
ISLAND RECLAMATION DISTRICT NO. 2062**

This COMMON USE AGREEMENT FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE, associated with Phase 1 of River Islands at Lathrop, entered into on this **19th day of November, 2018** ("Agreement") and is made and entered into by ISLAND RECLAMATION DISTRICT NO. 2062, a reclamation district organized under the laws of the State of California (the "District"), and the **CITY OF LATHROP**, a municipal corporation in the State of California (the "City"), together, "the Parties".

RECITALS

- A. This Agreement relates to certain real property to be dedicated to City for public right of way purposes known as Riverfront Drive; a local street within the River Islands at Lathrop Master Planned Community, ("River Islands Site"), being developed by River Islands Development, LLC, ("River Islands").
- B. On May 31, 2018, the District recorded easements across properties owned by Califia, LLC and River Islands for the right to control and maintain the levees constructed by District for flood protection purposes to protect development of both the Stage 2A and Stage 2B sub-planning areas of the River Islands Site ("Levee Easements").
- C. River Islands has proposed Tract 4001, a final map that will create a single family subdivision within the Stage 2A sub-planning of the River Islands Site, specifically located within Village AA. Tract 4001 contains a portion of Riverfront Drive, a local street that extends into a portion of the existing Levee Easements ("Village AA Portion of Riverfront Drive"), as depicted in Exhibit "A" to this Agreement.
- D. The District also is proposing a pipeline to be placed within the right of way of Riverfront Drive to interconnect lakes owned and/or maintained by the District ("Lake Interconnect Line") and to assign a twenty (20) foot easement at the center line of the Lake Interconnect Line to allow the District to provide maintenance as necessary after construction, as depicted by Exhibit "B" to this Agreement. The 20-foot easement would be reserved with the recordation of the Tract 4001 final map subject to the terms of the Agreement.
- E. Since the Levee Easements have been recorded to provide appropriate legal access and authority to District for its flood protection works ("District Works") in accordance with the State Water Code and applicable FEMA regulations, and these levees are designed to provide 200-year Urban Level of Flood Protection (ULOP) in accordance with approved State Department of Water Resources Standards and since the City has no objection to the Lake

Interconnect Line as proposed by the District, prior to the approval of Tract 4001 and the dedication of right of way for the Village AA Portion of Riverfront Drive, the Parties acknowledge and agree that it is necessary for the Parties to enter into an agreement to outline the duties and responsibilities of each Party, for the betterment of the public and to avoid conflicts in each Party's individual obligations under applicable law to those portions of River Islands Parkway right of way located within portions of the Levee Easements and within the Lake Interconnect ("Common Use Area").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, City and District do hereby agree as follows:

1. City hereby agrees to the construction, reconstruction, maintenance or use by District of the District Works located within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
2. District hereby agrees to the construction, reconstruction, maintenance or use by City of the Village AA Portion of Riverfront Drive within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
3. District and City acknowledge the priority of title of each other wherever applicable to the Common Use Area.
4. District has reviewed the Village AA improvement plans for surface improvements, underground pipelines, street lighting, landscaping and joint trench construction prepared by O'Dell Engineering and Power Systems Design and has no objections to the design and proposed construction of the facilities on these improvement plans that are located within the Common Use Area.
5. In the event that the future use of the Village AA Portion of Riverfront Drive shall at any time necessitate rearrangement, relocation or reconstruction of any of the District's works within the Common Use Area, City shall notify District in writing of such necessity pursuant to applicable sections of the Water Code and City agrees to pay the cost of such rearrangement, relocation or reconstruction of District's works following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the District, which approval shall not be unreasonably withheld.
6. In the event that the future use of the District Works shall at any time necessitate rearrangement, relocation or reconstruction of any of the Village AA Portion of Riverfront Drive within the Common Use Area, District shall notify City in writing of such necessity and District agrees to pay the cost of such rearrangement, relocation or reconstruction of Village AA Portion of Riverfront Drive following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the City, which approval shall not be unreasonably withheld.

7. City shall pay the cost to maintain, repair or replace City's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by District, except for damage resulting from maintenance, repair or replacement by District.

8. District or its assignees shall pay the cost to maintain, repair and replace District's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by City, excepting damage resulting from maintenance, repair or replacement by City.

9. District, when working within the Common Use Area shall comply with the following provisions:

(a) Except in times of emergency, including during a high water or flooding event, District shall provide reasonable notice to City before performing any work in the Common Use Area where such work will be performed in or on the traveled way or improved shoulders, sidewalk or landscaping of the roadway or will otherwise obstruct vehicular and/or pedestrian traffic.

(b) In all cases, District shall make adequate provisions for the protection of the travelling public and provide such barricades and safety devices as are required by City standards, and in cases of non-emergency, provide a Traffic Control Plan as required by City standards and specifications.

(c) All work shall be planned and carried out so there will be minimum inconvenience to the traveling public.

(d) All work shall be replacement in kind, conform to the existing facilities as to width and depth of surfacing thereof, meet all applicable City standards and specifications as determined by the City Engineer and shall be subject to inspection by City.

10. District and City shall use said Common Use Area in such manner as to not unreasonably interfere with the rights of either Party.

11. District shall not be responsible for any damage occurring to the City facilities in the Common Use Area that are not as a direct result of the District's maintenance, construction or reconstruction activities, or from its flood control facilities located on or near the Common Use Area. All costs for repairing such damage to City's facilities shall be borne by City.

12. City shall not be responsible for any damage occurring to District facilities in the Common Use Area that are not as a direct result of the City's maintenance, construction or reconstruction activities of its right of way or improvements on or near the Common Use Area. All costs for repairing such damage to District's facilities shall be borne by District.

13. District is responsible for maintaining the aesthetic, structural integrity, and safety of its pedestrian bridges constructed by District that may transverse City right of way, including the Village AA Portion of Riverfront Drive, including, but not limited to the bridge decks, piers, foundations, railings, abutment walls, and ramps. City shall not be responsible for the inspection, maintenance or repair of any District pedestrian bridges, including safety inspections of the bridge structure, footings, or abutments.

14. District shall be responsible for the vegetation and weed control activities of its levee slopes and adjacent areas that may transverse the Common Use Area. City shall be responsible for any landscaping and irrigation improvements within its right of way, including within the Common Use Area. The City or its assignees shall become responsibility for weed control within portions of the Common Use Area that are landscaped by the City.

15. The District's right to construct, maintain and operate the Lake Interconnect Line as prescribed by the easement provided with the recordation of the Tract 4001 Tract Map, shall be allowed by virtue of an encroachment permit provided by the City of Lathrop, at no charge or fee, subject to the provisions of Title 12 of the Lathrop Municipal Code and of such amendments to said Title as may enacted from time to time, as to matters relating to District's obtaining permits for the construction, maintenance and repair of its facilities situated within the public street, safety precautions, and the repair of public streets due to the presence of said District's facilities, District Works or any other District authorized work thereon.

16. To the extent that the City's rights to its rights of way for Riverfront Drive under the applicable laws of the State of California do not hinder or conflict with the rights of the District under applicable laws of the State of California, such rights of the District shall remain and be in full force and effect. Should any conflict with the rights of the City by rights of the District be identified, the District hereby subrogates its rights to the City, subject to review and approval of the District's legal counsel.

17. This Agreement shall not have a prescribed term. Termination of Agreement shall only occur if the Common Use Area ceases to be in existence and the need for this Agreement and its rights and obligations contained herein cease to be necessary. Either Party may provide written notice of such termination, subject to review and verification of the other Party.

18. Notices. Any and all notices required to be given hereunder will be deemed to have been delivered upon deposit in the United States mail, postage prepaid, addressed to either of the parties at the address hereinafter specified or as later amended by either party in writing:

City of Lathrop
Attention: City Clerk
390 Towne Centre
Lathrop, CA 95330

Reclamation District No. 2062
73 West Stewart Road
Lathrop, CA 95330
Attention: President

19. This Agreement, and all terms, covenants, and conditions hereof, will apply to and bind the successors and assigns of the respective parties hereto. Neither Party will assign nor sublet this Agreement without the prior written consent of the other Party.

- 20. This Agreement is governed by California law.
- 21. This Agreement may not be modified or amended except in writing signed by both parties.
- 22. Each party must, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with all Federal, State and local laws, statutes, orders, ordinances, rules, and regulations.
- 23. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, fee or other interest in a party's real property to the other Party.
- 24. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the Parties and supersedes all prior written or oral understandings.

IN WITNESS WHEREOF, the City and District have signed this Agreement effective as of the Effective Date.

CITY OF LATHROP
A California municipal corporation

ISLAND RECLAMATION
DISTRICT
NO. 2062 a California reclamation
district

By: _____
 Stephen Salvatore, City Manager

By: _____
 Susan Dell'Osso, President

ATTEST:




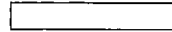
By: _____
 Teresa Vargas, City Clerk

APPROVED AS TO FORM:

By: _____
 Salvador V. Navarrete, City Attorney

EXHIBIT "A"
COMMON USE AREA DEPICTION

LEGEND

-  BOUNDARY
-  LOT LINE
-  LEVEE EASEMENT BOUNDARY (RD 2062)
-  COMMON USE AREA (RIVERFRONT DRIVE)

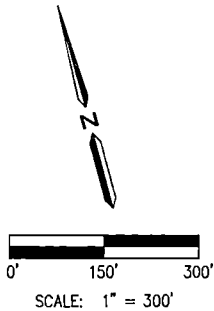
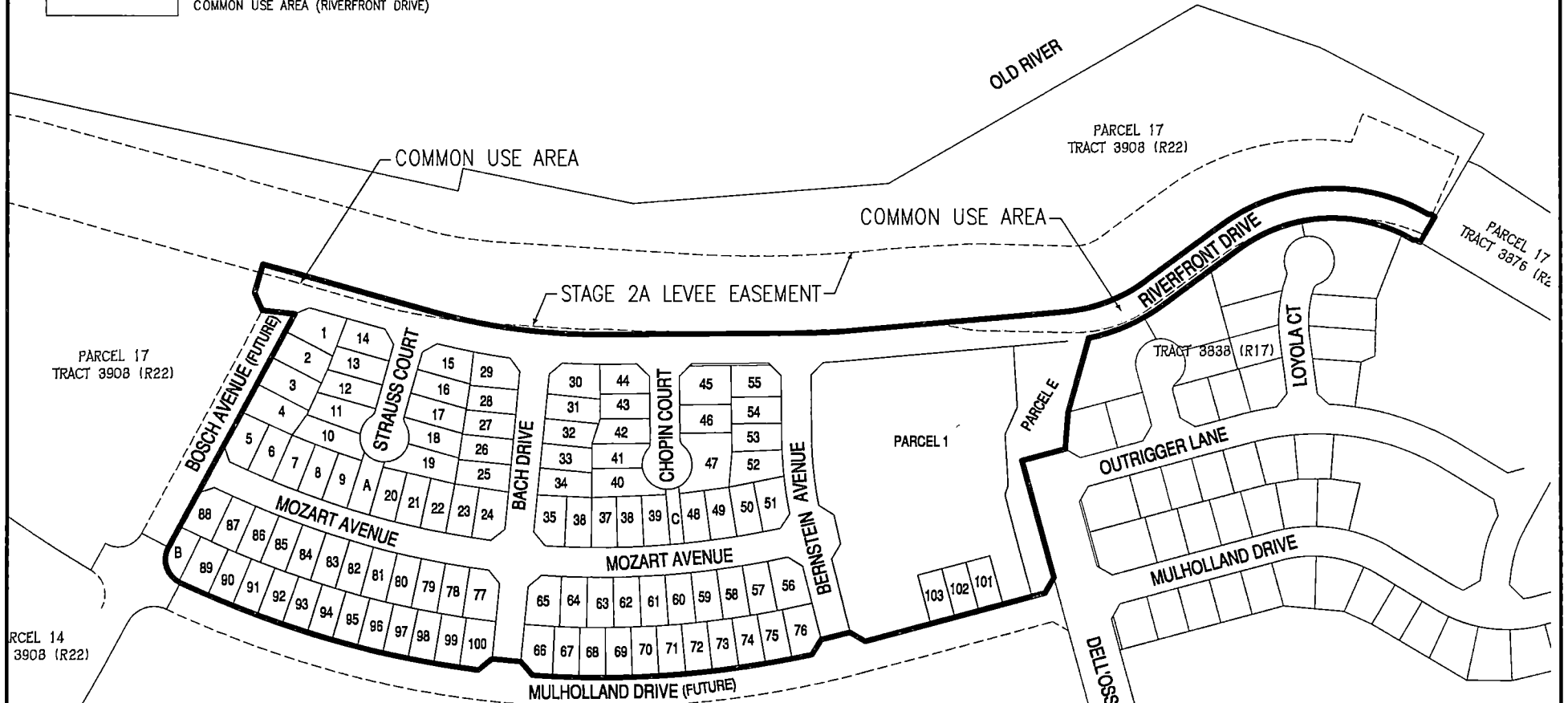


EXHIBIT "A"
VILLAGE AA
COMMON USE AREA
NOVEMBER 2018

**COMMON USE AGREEMENT
FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE
BY AND BETWEEN THE**

**CITY OF LATHROP
AND
ISLAND RECLAMATION DISTRICT NO. 2062**

This COMMON USE AGREEMENT FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE, associated with Phase 1 of River Islands at Lathrop, entered into on this **19th day of November, 2018** ("Agreement") and is made and entered into by ISLAND RECLAMATION DISTRICT NO. 2062, a reclamation district organized under the laws of the State of California (the "District"), and the **CITY OF LATHROP**, a municipal corporation in the State of California (the "City"), together, "the Parties".

RECITALS

- A. This Agreement relates to certain real property to be dedicated to City for public right of way purposes known as Riverfront Drive; a local street within the River Islands at Lathrop Master Planned Community, ("River Islands Site"), being developed by River Islands Development, LLC, ("River Islands").
- B. On May 31, 2018, the District recorded easements across properties owned by Califia, LLC and River Islands for the right to control and maintain the levees constructed by District for flood protection purposes to protect development of both the Stage 2A and Stage 2B sub-planning areas of the River Islands Site ("Levee Easements").
- C. River Islands has proposed Tract 4001, a final map that will create a single family subdivision within the Stage 2A sub-planning of the River Islands Site, specifically located within Village AA. Tract 4001 contains a portion of Riverfront Drive, a local street that extends into a portion of the existing Levee Easements ("Village AA Portion of Riverfront Drive"), as depicted in Exhibit "A" to this Agreement.
- D. The District also is proposing a pipeline to be placed within the right of way of Riverfront Drive to interconnect lakes owned and/or maintained by the District ("Lake Interconnect Line") and to assign a twenty (20) foot easement at the center line of the Lake Interconnect Line to allow the District to provide maintenance as necessary after construction, as depicted by Exhibit "B" to this Agreement. The 20-foot easement would be reserved with the recordation of the Tract 4001 final map subject to the terms of the Agreement.
- E. Since the Levee Easements have been recorded to provide appropriate legal access and authority to District for its flood protection works ("District Works") in accordance with the State Water Code and applicable FEMA regulations, and these levees are designed to provide 200-year Urban Level of Flood Protection (ULOP) in accordance with approved State Department of Water Resources Standards and since the City has no objection to the Lake

Interconnect Line as proposed by the District, prior to the approval of Tract 4001 and the dedication of right of way for the Village AA Portion of Riverfront Drive, the Parties acknowledge and agree that it is necessary for the Parties to enter into an agreement to outline the duties and responsibilities of each Party, for the betterment of the public and to avoid conflicts in each Party's individual obligations under applicable law to those portions of River Islands Parkway right of way located within portions of the Levee Easements and within the Lake Interconnect ("Common Use Area").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, City and District do hereby agree as follows:

1. City hereby agrees to the construction, reconstruction, maintenance or use by District of the District Works located within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
2. District hereby agrees to the construction, reconstruction, maintenance or use by City of the Village AA Portion of Riverfront Drive within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
3. District and City acknowledge the priority of title of each other wherever applicable to the Common Use Area.
4. District has reviewed the Village AA improvement plans for surface improvements, underground pipelines, street lighting, landscaping and joint trench construction prepared by O'Dell Engineering and Power Systems Design and has no objections to the design and proposed construction of the facilities on these improvement plans that are located within the Common Use Area.
5. In the event that the future use of the Village AA Portion of Riverfront Drive shall at any time necessitate rearrangement, relocation or reconstruction of any of the District's works within the Common Use Area, City shall notify District in writing of such necessity pursuant to applicable sections of the Water Code and City agrees to pay the cost of such rearrangement, relocation or reconstruction of District's works following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the District, which approval shall not be unreasonably withheld.
6. In the event that the future use of the District Works shall at any time necessitate rearrangement, relocation or reconstruction of any of the Village AA Portion of Riverfront Drive within the Common Use Area, District shall notify City in writing of such necessity and District agrees to pay the cost of such rearrangement, relocation or reconstruction of Village AA Portion of Riverfront Drive following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the City, which approval shall not be unreasonably withheld.

7. City shall pay the cost to maintain, repair or replace City's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by District, except for damage resulting from maintenance, repair or replacement by District.

8. District or its assignees shall pay the cost to maintain, repair and replace District's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by City, excepting damage resulting from maintenance, repair or replacement by City.

9. District, when working within the Common Use Area shall comply with the following provisions:

(a) Except in times of emergency, including during a high water or flooding event, District shall provide reasonable notice to City before performing any work in the Common Use Area where such work will be performed in or on the traveled way or improved shoulders, sidewalk or landscaping of the roadway or will otherwise obstruct vehicular and/or pedestrian traffic.

(b) In all cases, District shall make adequate provisions for the protection of the travelling public and provide such barricades and safety devices as are required by City standards, and in cases of non-emergency, provide a Traffic Control Plan as required by City standards and specifications.

(c) All work shall be planned and carried out so there will be minimum inconvenience to the traveling public.

(d) All work shall be replacement in kind, conform to the existing facilities as to width and depth of surfacing thereof, meet all applicable City standards and specifications as determined by the City Engineer and shall be subject to inspection by City.

10. District and City shall use said Common Use Area in such manner as to not unreasonably interfere with the rights of either Party.

11. District shall not be responsible for any damage occurring to the City facilities in the Common Use Area that are not as a direct result of the District's maintenance, construction or reconstruction activities, or from its flood control facilities located on or near the Common Use Area. All costs for repairing such damage to City's facilities shall be borne by City.

12. City shall not be responsible for any damage occurring to District facilities in the Common Use Area that are not as a direct result of the City's maintenance, construction or reconstruction activities of its right of way or improvements on or near the Common Use Area. All costs for repairing such damage to District's facilities shall be borne by District.

13. District is responsible for maintaining the aesthetic, structural integrity, and safety of its pedestrian bridges constructed by District that may transverse City right of way, including the Village AA Portion of Riverfront Drive, including, but not limited to the bridge decks, piers, foundations, railings, abutment walls, and ramps. City shall not be responsible for the inspection, maintenance or repair of any District pedestrian bridges, including safety inspections of the bridge structure, footings, or abutments.

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15. The District's right to construct, maintain and operate the Lake Interconnect Line as prescribed by the easement provided with the recordation of the Tract 4001 Tract Map, shall be allowed by virtue of an encroachment permit provided by the City of Lathrop, at no charge or fee, subject to the provisions of Title 12 of the Lathrop Municipal Code and of such amendments to said Title as may enacted from time to time, as to matters relating to District's obtaining permits for the construction, maintenance and repair of its facilities situated within the public street, safety precautions, and the repair of public streets due to the presence of said District's facilities, District Works or any other District authorized work thereon.

16. To the extent that the City's rights to its rights of way for Riverfront Drive under the applicable laws of the State of California do not hinder or conflict with the rights of the District under applicable laws of the State of California, such rights of the District shall remain and be in full force and effect. Should any conflict with the rights of the City by rights of the District be identified, the District hereby subrogates its rights to the City, subject to review and approval of the District's legal counsel.

17. This Agreement shall not have a prescribed term. Termination of Agreement shall only occur if the Common Use Area ceases to be in existence and the need for this Agreement and its rights and obligations contained herein cease to be necessary. Either Party may provide written notice of such termination, subject to review and verification of the other Party.

18. Notices. Any and all notices required to be given hereunder will be deemed to have been delivered upon deposit in the United States mail, postage prepaid, addressed to either of the parties at the address hereinafter specified or as later amended by either party in writing:

City of Lathrop
Attention: City Clerk
390 Towne Centre
Lathrop, CA 95330

Reclamation District No. 2062
73 West Stewart Road
Lathrop, CA 95330
Attention: President

19. This Agreement, and all terms, covenants, and conditions hereof, will apply to and bind the successors and assigns of the respective parties hereto. Neither Party will assign nor sublet this Agreement without the prior written consent of the other Party.

- 20. This Agreement is governed by California law.
- 21. This Agreement may not be modified or amended except in writing signed by both parties.
- 22. Each party must, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with all Federal, State and local laws, statutes, orders, ordinances, rules, and regulations.
- 23. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, fee or other interest in a party's real property to the other Party.
- 24. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the Parties and supersedes all prior written or oral understandings.

IN WITNESS WHEREOF, the City and District have signed this Agreement effective as of the Effective Date.

CITY OF LATHROP
A California municipal corporation

ISLAND RECLAMATION
DISTRICT
NO. 2062 a California reclamation
district

By: _____
 Stephen Salvatore, City Manager

By: _____
 Susan Dell'Osso, President

ATTEST:





By: _____
 Teresa Vargas, City Clerk

APPROVED AS TO FORM:

By: _____
 Salvador V. Navarrete, City Attorney

EXHIBIT "A"
COMMON USE AREA DEPICTION

LEGEND

-  BOUNDARY
-  LOT LINE
-  LEVEE EASEMENT BOUNDARY (RD 2062)
-  COMMON USE AREA (RIVERFRONT DRIVE)

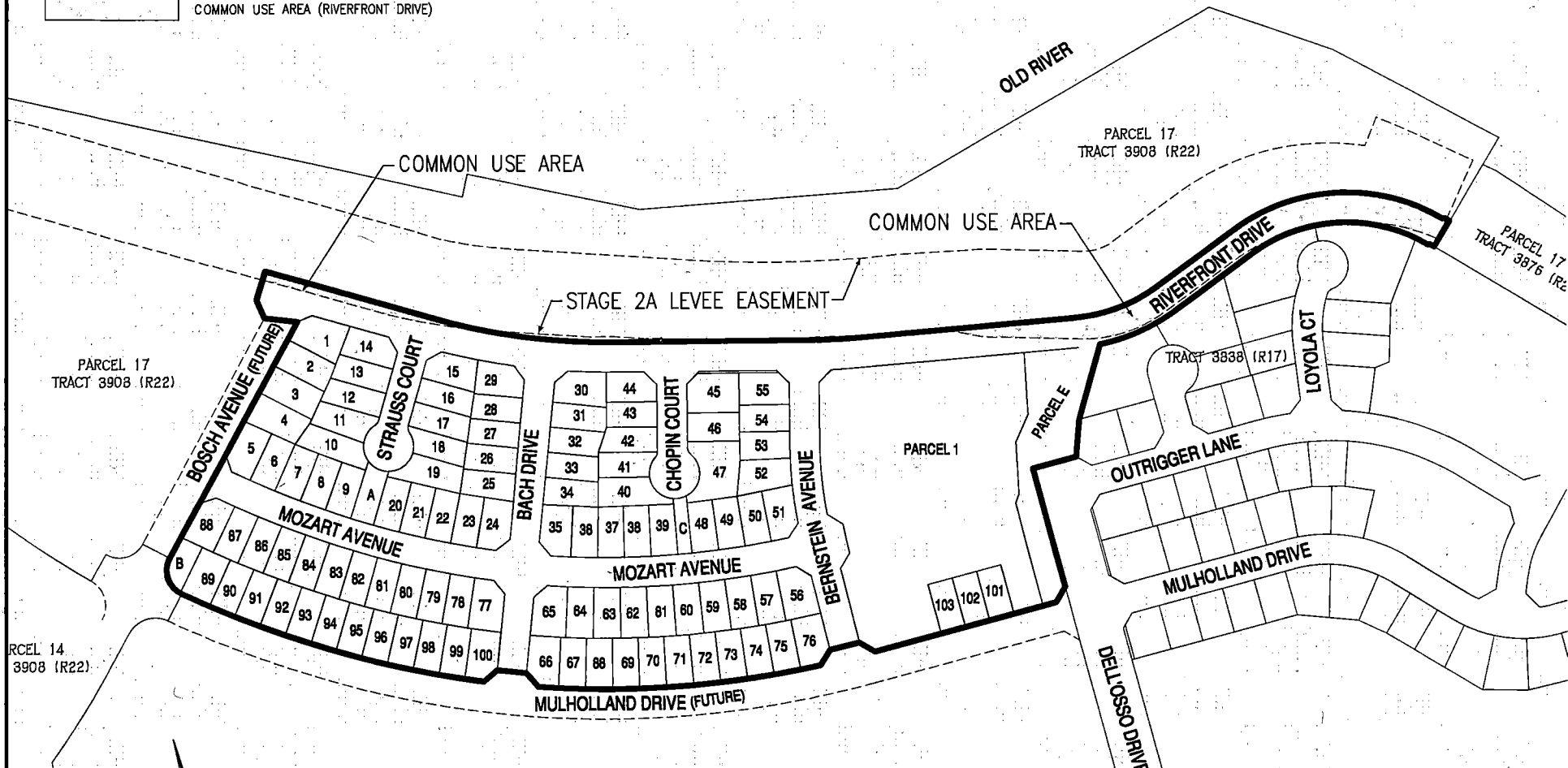


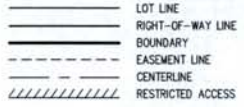
EXHIBIT "A"
VILLAGE AA
COMMON USE AREA
NOVEMBER 2018

EXHIBIT "B"
LAKE INTERCONNECT LINE DEPICTION

LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17), UNLESS OTHERWISE NOTED
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
- ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
- ③ 5/8" REBAR WITH CAP "PLS 7788" PER (R17)
- ④ 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R17)

- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-BC) MONUMENT TO BEGINNING OF A CURVE
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT



NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES AND REFERENCES.
4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.

LAKE INTERCONNECT LINE
RIVER ISLANDS - STAGE 2A
TRACT 4001 - VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
 A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
 SEPTEMBER 2018

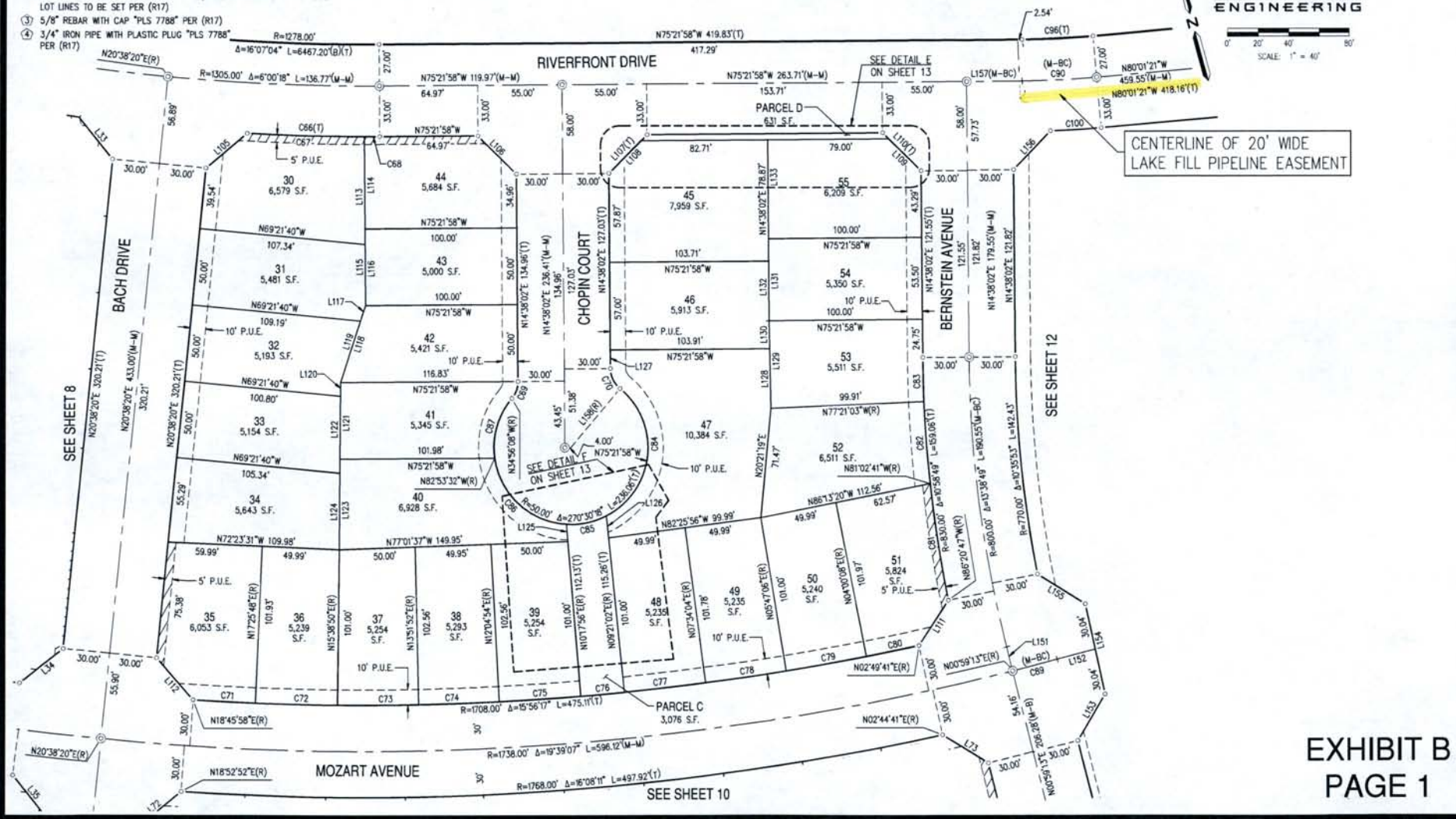
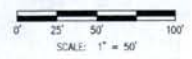


EXHIBIT B
PAGE 1

**LAKE INTERCONNECT LINE
RIVER ISLANDS - STAGE 2A
TRACT 4001 - VILLAGE AA**

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
SEPTEMBER 2018



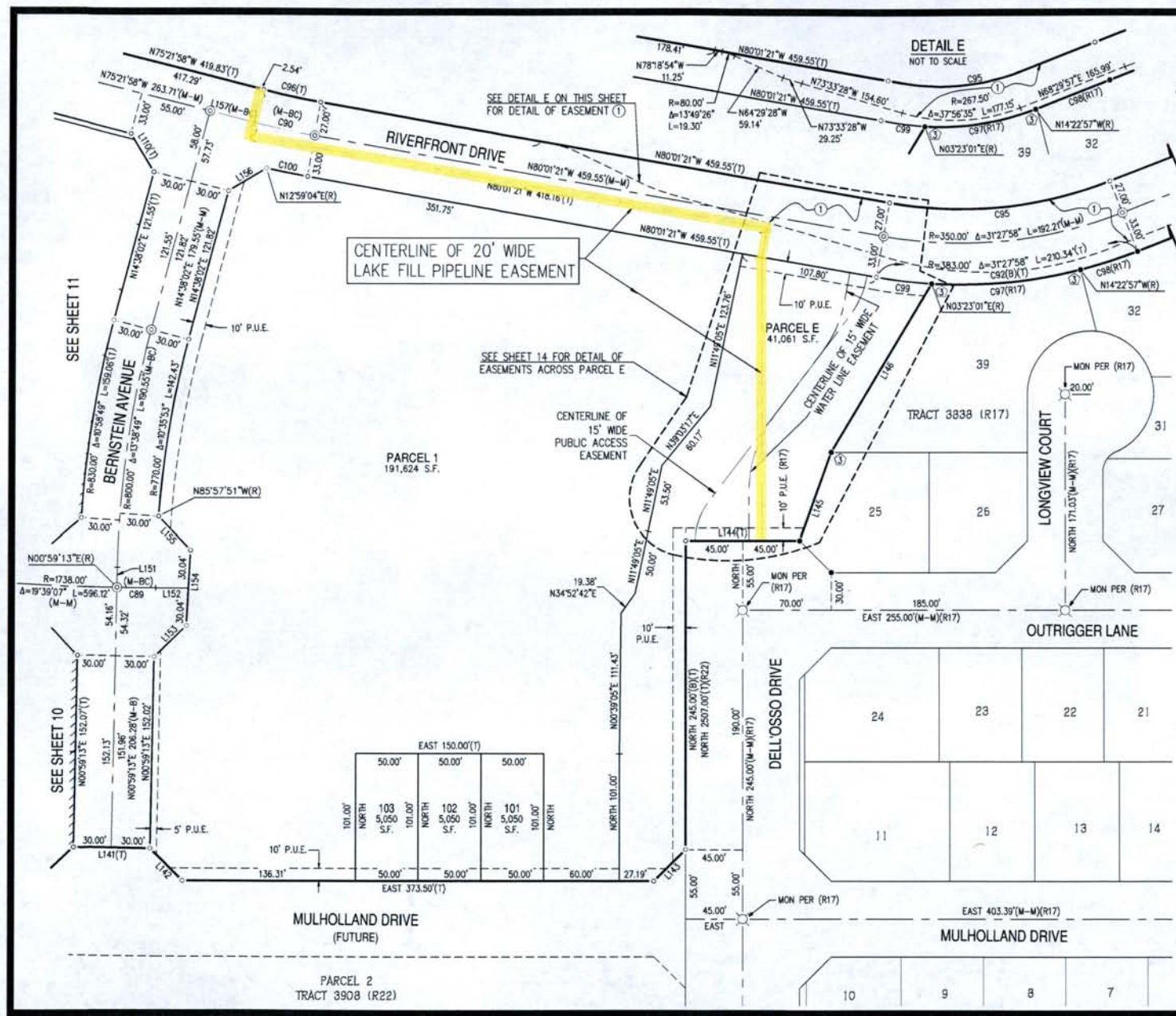
SEE SHEET 13
FOR RIVERFRONT DRIVE

LEGEND

- ⊗ MONUMENT TO BE SET PER (R17)
 - ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
 - 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R22), UNLESS OTHERWISE NOTED
 - SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
 - ① EASEMENT REFERENCE NUMBER, SEE SHEET 3
 - 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
 - (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
 - (M-M) MONUMENT TO MONUMENT
 - (M-B) MONUMENT TO BOUNDARY
 - (M-BC) MONUMENT TO BEGINNING OF A CURVE
 - (T) TOTAL
 - (B) BOUNDARY
 - P.U.E. PUBLIC UTILITY EASEMENT
- LOT LINE
 - RIGHT-OF-WAY LINE
 - BOUNDARY
 - EASEMENT LINE
 - CENTERLINE
 - RESTRICTED ACCESS
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET TO BE SET PER (R17)
 - ② 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES TO BE SET PER (R17)
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4. SEE SHEET 3 FOR BASIS OF BEARINGS.
5. SEE SHEET 15 FOR LINE AND CURVE TABLES.



CENTERLINE OF 20' WIDE
LAKE FILL PIPELINE EASEMENT

DELLOSSO DRIVE

LONGVIEW COURT

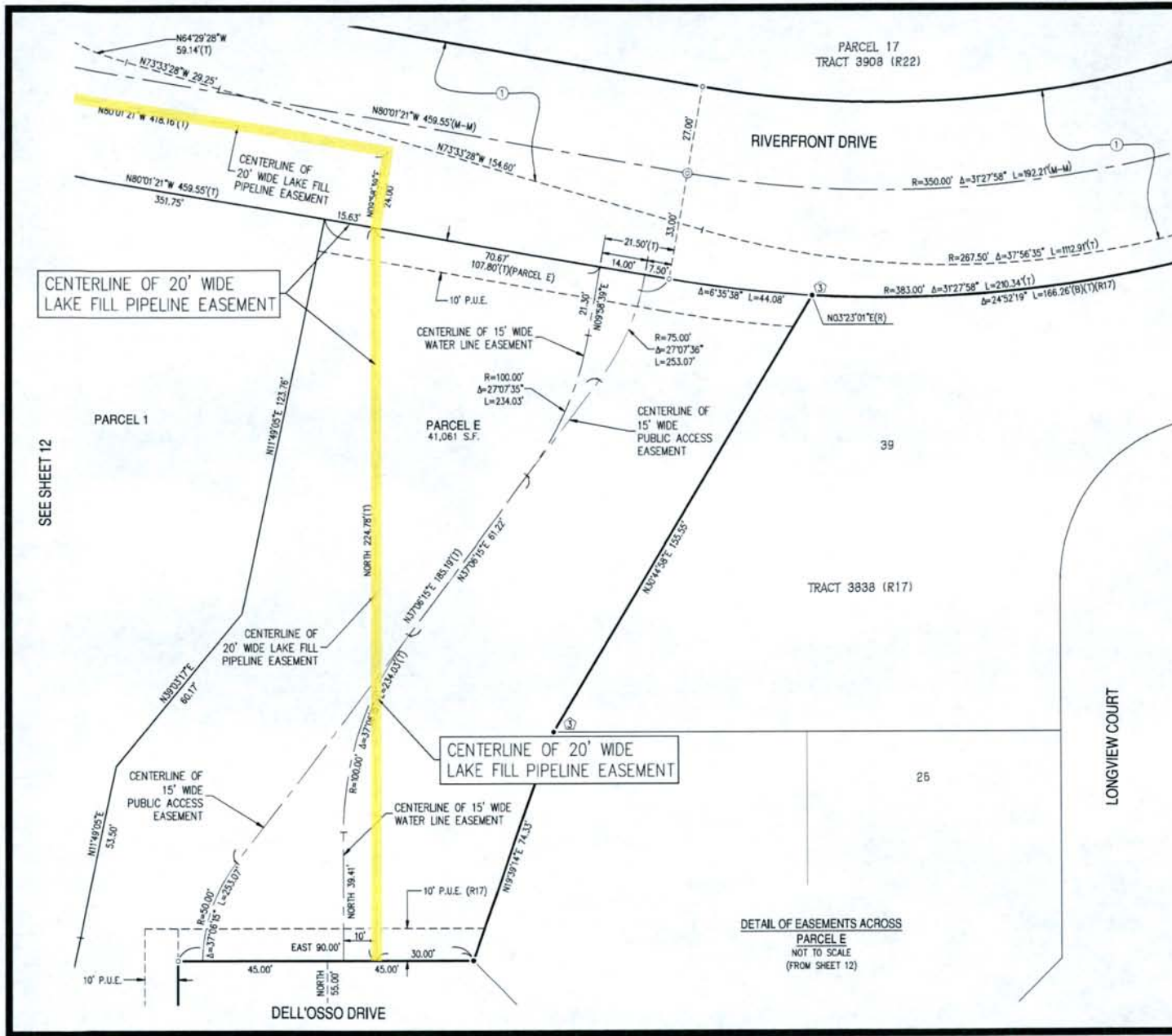
MULHOLLAND DRIVE
(FUTURE)

MULHOLLAND DRIVE

PARCEL 2
TRACT 3908 (R22)

LAKE INTERCONNECT LINE RIVER ISLANDS - STAGE 2A TRACT 4001 - VILLAGE AA

A PORTION OF RANCHO EL PESCADERO, BEING
A SUBDIVISION OF PARCEL 1 OF TRACT 3908 (43 MAP 52),
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA
SEPTEMBER 2018



LEGEND

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5. SEE SHEET 15 FOR LINE AND CURVE TABLES.

DETAIL OF EASEMENTS ACROSS
PARCELE
NOT TO SCALE
(FROM SHEET 12)

EXHIBIT B
PAGE 3

**JOINT ESCROW INSTRUCTIONS
RECORDATION OF FINAL MAPS
(RIVER ISLANDS AT LATHROP)**

November 19, 2018

Via Email and First Class Mail

Old Republic Title Company
3558 Deer Park Drive, Suite 103
Stockton, CA 95219
Attn: Karen Sayles

Re: Recordation of Final Map 4001; Escrow No. 1614020161

Dear Karen:

This letter constitutes the joint escrow instructions ("**Escrow Instructions**") of River Islands Development, LLC, a California limited liability company ("**RID**"), and the City of Lathrop ("**City**") in connection with the above-referenced escrow ("**Escrow**"). The Escrow was opened in connection with recordation of the above-referenced final map ("**Final Map**"). Recordation of the Final Map is subject to the conditions set forth below. The transactions described in these Escrow Instructions are referred to as the "**Transaction**." Old Republic Title Company is referred to as "you" or "**ORTC**."

A. Date for Closings

The Final Map will be recorded at the time designated by RID as set forth below. The Final Map can only be recorded after the City has approved the map in writing. The closing date for the Transaction is intended to occur by December 31, 2018, at the time designated in writing by RID, subject to satisfaction of the conditions set forth below (each a "**Closing**"). If the Final Map has not been recorded by June 30, 2019, ORTC will return the Final Map to the City.

B. Documents to be Delivered and Recordation Documents

In connection with the Transaction, you have in your possession or will receive the following documents from City for recordation in the Official Records of San Joaquin County, California ("**Official Records**").

B.1. One original Final Map for Tract 4001, executed and acknowledged by the City.

B.2. One original Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue, executed and acknowledged by the City.

The documents listed in Items B.1 and B.2 above are referred to as the "**Recordation Documents**." The Recordation Documents shall be recorded in the order referred to above. The date on which the Recordation Documents are recorded in the Official Records is the Recordation Date.

JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)

C. Funds and Settlement Statement

You also have received, or will receive from RID, prior to the recordation of the Recordation Documents, in immediately available funds, the following amounts, in accordance with the settlement statement prepared by you and approved in writing by both RID and City ("**Settlement Statement**"): recordation costs, escrow fees and other amounts as set forth in the Settlement Statement. Such costs, fees and other amounts are the sole responsibility of RID.

C.1 Funds to be wire transferred directly to the entity set forth below, immediately upon recordation of the Final Map, in accordance with the wire transfer instructions for each entity are set forth below:

- The amount of **\$68,327.19**, payable to the City pursuant to that certain Agreement to Settle Litigation Regarding River Islands at Lathrop, as amended ("**Sierra Club Agreement**"), constituting the amount of **\$3,076** multiplied by **22.22 acres** (or portion thereof) included in the Final Map, is to be transferred to the City upon recordation of the Final Map. The City's wire instructions are set forth below.

The amounts set forth in Section C are referred to as the "**Closing Funds**."

D. Closing Requirements

When the following has occurred, you are authorized to close the Escrow at the time(s) and in accordance with the process set forth below:

D.1. You have delivered copies of your Settlement Statement by email transmission to: Susan Dell'Osso (sdelloso@riverislands.com), Debbie Belmar (dbelmar@riverislands.com), Stephen Salvatore (ssalvatore@ci.lathrop.ca.us), Salvador Navarrete (snavarrete@ci.lathrop.ca.us), Cari James (cjames@ci.lathrop.ca.us) and Glenn Gebhardt (ggebhardt@ci.lathrop.ca.us), and have confirmation (by telephone or email) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt that the Settlement Statement is accurate and acceptable.

D.2. You have not received any instructions contrary to these Escrow Instructions.

D.3. The Recordation Documents and all other documents described herein as being held by you or delivered to you have been received by you and have been fully executed and, where applicable, acknowledged, and you have attached all legal descriptions or have confirmed that all exhibits and legal descriptions are attached.

D.4. You are prepared to record the Recordation Documents, as designated, release funds in accordance with the Settlement Statement and complete the Transaction in compliance with these Escrow Instructions.

D.5. You have delivered a copy of these instructions, executed by an authorized signatory of ORTC with authority to bind ORTC, and initialed all pages, by

JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)

email transmission (with original hard copy to follow by U.S. Mail) to Debbie Belmar and Glenn Gebhardt at the email addresses set forth above.

D.6. You have received confirmation (by email or other writing) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt to record the Recordation Documents and complete the Transaction.

E. Closing Process and Priorities

When you have fully satisfied all of the closing requirements set forth in Section D, then you are authorized and instructed to do the following in the chronological order given:

E.1. Date the Recordation Documents to be recorded.

E.2. Record the Recordation Documents in the Official Records.

E.3. Pay the costs associated with the Transaction.

E.4. Refund any funds delivered to you by RID that are not disbursed at the time of the final Closing pursuant to these Escrow Instructions to the following entity and address:

River Islands Development, LLC
73 W. Stewart Road
Lathrop, CA 95330
Attn: Susan Dell'Osso

E.5. Notify Susan Dell'Osso, Debbie Belmar, Stephen Salvatore, Glenn Gebhardt and Jose Molina (JMolina@sjgov.org) of the completion of the Transaction.

E.6. Within five (5) business days after each Recordation Date, deliver by overnight delivery via recognized, national, overnight delivery carrier to: (1) Susan Dell'Osso, River Islands Development, LLC, 73 W. Stewart Road, Lathrop, CA 95330; and (2) Mr. Salvador Navarrete, City Attorney, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA 95330:

(A) A certified copy of the Recordation Documents, showing all recording information of the Recordation Documents; and

(B) A certified copy of the final Settlement Statement.

F. Additional Instructions

When assembling the final documents, signature pages from all parties shall be inserted into each respective final document in creating fully executed counterparts.

Please acknowledge receipt of these instructions and your agreement to act as Escrow agent in connection with this Transaction in accordance with these Escrow Instructions, by executing and dating a copy of these Escrow Instructions where indicated below, initialing all pages and returning it to both of the undersigned.

**JOINT ESCROW INSTRUCTIONS
RECORDATION OF FINAL MAPS
(RIVER ISLANDS AT LATHROP)**

The Escrow Instructions may be modified only in a writing signed by both of the undersigned.

Very truly yours,

Stephen J. Salvatore
City Manager
City of Lathrop

Susan Dell'Osso
President
River Islands Development, LLC

**ESCROW INSTRUCTIONS
ACKNOWLEDGEMENT AND AGREEMENT:**

Receipt of the foregoing Escrow Instructions from RID and the City is hereby acknowledged. The undersigned agrees, for itself, and on behalf of ORTC, to proceed in strict accordance with these Escrow Instructions. The undersigned represents and warrants to RID and the City that the undersigned is authorized to execute this Acknowledgement and Agreement, for itself, and on behalf of ORTC.

Old Republic Title Company

By: _____
Its: _____
Date: _____

**COMMON USE AGREEMENT
FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE
BY AND BETWEEN THE

CITY OF LATHROP
AND
ISLAND RECLAMATION DISTRICT NO. 2062**

This COMMON USE AGREEMENT FOR THE STAGE 2A PORTION OF RIVERFRONT DRIVE, associated with Phase 1 of River Islands at Lathrop, entered into on this **19th day of November, 2018** ("Agreement") and is made and entered into by ISLAND RECLAMATION DISTRICT NO. 2062, a reclamation district organized under the laws of the State of California (the "District"), and the **CITY OF LATHROP**, a municipal corporation in the State of California (the "City"), together, "the Parties".

RECITALS

A. This Agreement relates to certain real property to be dedicated to City for public right of way purposes known as Riverfront Drive; a local street within the River Islands at Lathrop Master Planned Community, ("River Islands Site"), being developed by River Islands Development, LLC, ("River Islands").

B. On May 31, 2018, the District recorded easements across properties owned by Califia, LLC and River Islands for the right to control and maintain the levees constructed by District for flood protection purposes to protect development of both the Stage 2A and Stage 2B sub-planning areas of the River Islands Site ("Levee Easements").

C. River Islands has proposed Tract 4001, a final map that will create a single family subdivision within the Stage 2A sub-planning of the River Islands Site, specifically located within Village AA. Tract 4001 contains a portion of Riverfront Drive, a local street that extends into a portion of the existing Levee Easements ("Village AA Portion of Riverfront Drive"), as depicted in Exhibit "A" to this Agreement.

D. The District also is proposing a pipeline to be placed within the right of way of Riverfront Drive to interconnect lakes owned and/or maintained by the District ("Lake Interconnect Line") and to assign a twenty (20) foot easement at the center line of the Lake Interconnect Line to allow the District to provide maintenance as necessary after construction, as depicted by Exhibit "B" to this Agreement. The 20-foot easement would be reserved with the recordation of the Tract 4001 final map subject to the terms of the Agreement.

E. Since the Levee Easements have been recorded to provide appropriate legal access and authority to District for its flood protection works ("District Works") in accordance with the State Water Code and applicable FEMA regulations, and these levees are designed to provide 200-year Urban Level of Flood Protection (ULOP) in accordance with approved State Department of Water Resources Standards and since the City has no objection to the Lake

Interconnect Line as proposed by the District, prior to the approval of Tract 4001 and the dedication of right of way for the Village AA Portion of Riverfront Drive, the Parties acknowledge and agree that it is necessary for the Parties to enter into an agreement to outline the duties and responsibilities of each Party, for the betterment of the public and to avoid conflicts in each Party's individual obligations under applicable law to those portions of River Islands Parkway right of way located within portions of the Levee Easements and within the Lake Interconnect ("Common Use Area").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, City and District do hereby agree as follows:

1. City hereby agrees to the construction, reconstruction, maintenance or use by District of the District Works located within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
2. District hereby agrees to the construction, reconstruction, maintenance or use by City of the Village AA Portion of Riverfront Drive within the Common Use Area which is more particularly described on Exhibit "A" to this Agreement, incorporated herein by this reference.
3. District and City acknowledge the priority of title of each other wherever applicable to the Common Use Area.
4. District has reviewed the Village AA improvement plans for surface improvements, underground pipelines, street lighting, landscaping and joint trench construction prepared by O'Dell Engineering and Power Systems Design and has no objections to the design and proposed construction of the facilities on these improvement plans that are located within the Common Use Area.
5. In the event that the future use of the Village AA Portion of Riverfront Drive shall at any time necessitate rearrangement, relocation or reconstruction of any of the District's works within the Common Use Area, City shall notify District in writing of such necessity pursuant to applicable sections of the Water Code and City agrees to pay the cost of such rearrangement, relocation or reconstruction of District's works following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the District, which approval shall not be unreasonably withheld.
6. In the event that the future use of the District Works shall at any time necessitate rearrangement, relocation or reconstruction of any of the Village AA Portion of Riverfront Drive within the Common Use Area, District shall notify City in writing of such necessity and District agrees to pay the cost of such rearrangement, relocation or reconstruction of Village AA Portion of Riverfront Drive following approval of all plans and specifications of said rearrangement, relocation, or reconstruction by the City, which approval shall not be unreasonably withheld.

7. City shall pay the cost to maintain, repair or replace City's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by District, except for damage resulting from maintenance, repair or replacement by District.

8. District or its assignees shall pay the cost to maintain, repair and replace District's facilities located in the Common Use Area at its sole expense, and for construction, rearrangement, modification, alteration or relocation not requested or undertaken by City, excepting damage resulting from maintenance, repair or replacement by City.

9. District, when working within the Common Use Area shall comply with the following provisions:

(a) Except in times of emergency, including during a high water or flooding event, District shall provide reasonable notice to City before performing any work in the Common Use Area where such work will be performed in or on the traveled way or improved shoulders, sidewalk or landscaping of the roadway or will otherwise obstruct vehicular and/or pedestrian traffic.

(b) In all cases, District shall make adequate provisions for the protection of the travelling public and provide such barricades and safety devices as are required by City standards, and in cases of non-emergency, provide a Traffic Control Plan as required by City standards and specifications.

(c) All work shall be planned and carried out so there will be minimum inconvenience to the traveling public.

(d) All work shall be replacement in kind, conform to the existing facilities as to width and depth of surfacing thereof, meet all applicable City standards and specifications as determined by the City Engineer and shall be subject to inspection by City.

10. District and City shall use said Common Use Area in such manner as to not unreasonably interfere with the rights of either Party.

11. District shall not be responsible for any damage occurring to the City facilities in the Common Use Area that are not as a direct result of the District's maintenance, construction or reconstruction activities, or from its flood control facilities located on or near the Common Use Area. All costs for repairing such damage to City's facilities shall be borne by City.

12. City shall not be responsible for any damage occurring to District facilities in the Common Use Area that are not as a direct result of the City's maintenance, construction or reconstruction activities of its right of way or improvements on or near the Common Use Area. All costs for repairing such damage to District's facilities shall be borne by District.

13. District is responsible for maintaining the aesthetic, structural integrity, and safety of its pedestrian bridges constructed by District that may transverse City right of way, including the Village AA Portion of Riverfront Drive, including, but not limited to the bridge decks, piers, foundations, railings, abutment walls, and ramps. City shall not be responsible for the inspection, maintenance or repair of any District pedestrian bridges, including safety inspections of the bridge structure, footings, or abutments.

14. District shall be responsible for the vegetation and weed control activities of its levee slopes and adjacent areas that may transverse the Common Use Area. City shall be responsible for any landscaping and irrigation improvements within its right of way, including within the Common Use Area. The City or its assignees shall become responsibility for weed control within portions of the Common Use Area that are landscaped by the City.

15. The District's right to construct, maintain and operate the Lake Interconnect Line as prescribed by the easement provided with the recordation of the Tract 4001 Tract Map, shall be allowed by virtue of an encroachment permit provided by the City of Lathrop, at no charge or fee, subject to the provisions of Title 12 of the Lathrop Municipal Code and of such amendments to said Title as may enacted from time to time, as to matters relating to District's obtaining permits for the construction, maintenance and repair of its facilities situated within the public street, safety precautions, and the repair of public streets due to the presence of said District's facilities, District Works or any other District authorized work thereon.

16. To the extent that the City's rights to its rights of way for Riverfront Drive under the applicable laws of the State of California do not hinder or conflict with the rights of the District under applicable laws of the State of California, such rights of the District shall remain and be in full force and effect. Should any conflict with the rights of the City by rights of the District be identified, the District hereby subrogates its rights to the City, subject to review and approval of the District's legal counsel.

17. This Agreement shall not have a prescribed term. Termination of Agreement shall only occur if the Common Use Area ceases to be in existence and the need for this Agreement and its rights and obligations contained herein cease to be necessary. Either Party may provide written notice of such termination, subject to review and verification of the other Party.

18. Notices. Any and all notices required to be given hereunder will be deemed to have been delivered upon deposit in the United States mail, postage prepaid, addressed to either of the parties at the address hereinafter specified or as later amended by either party in writing:

City of Lathrop
Attention: City Clerk
390 Towne Centre
Lathrop, CA 95330

Reclamation District No. 2062
73 West Stewart Road
Lathrop, CA 95330
Attention: President

19. This Agreement, and all terms, covenants, and conditions hereof, will apply to and bind the successors and assigns of the respective parties hereto. Neither Party will assign nor sublet this Agreement without the prior written consent of the other Party.

- 20. This Agreement is governed by California law.
- 21. This Agreement may not be modified or amended except in writing signed by both parties.
- 22. Each party must, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with all Federal, State and local laws, statutes, orders, ordinances, rules, and regulations.
- 23. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, fee or other interest in a party's real property to the other Party.
- 24. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the Parties and supersedes all prior written or oral understandings.

IN WITNESS WHEREOF, the City and District have signed this Agreement effective as of the Effective Date.

CITY OF LATHROP
A California municipal corporation

ISLAND RECLAMATION
DISTRICT
NO. 2062 a California reclamation
district

By: _____
 Stephen Salvatore, City Manager

By: _____
 Susan Dell'Osso, President

ATTEST:




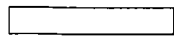
By: _____
 Teresa Vargas, City Clerk

APPROVED AS TO FORM:

By: _____
 Salvador V. Navarrete, City Attorney

EXHIBIT "A"
COMMON USE AREA DEPICTION

LEGEND

-  BOUNDARY
-  LOT LINE
-  LEVEE EASEMENT BOUNDARY (RD 2062)
-  COMMON USE AREA (RIVERFRONT DRIVE)

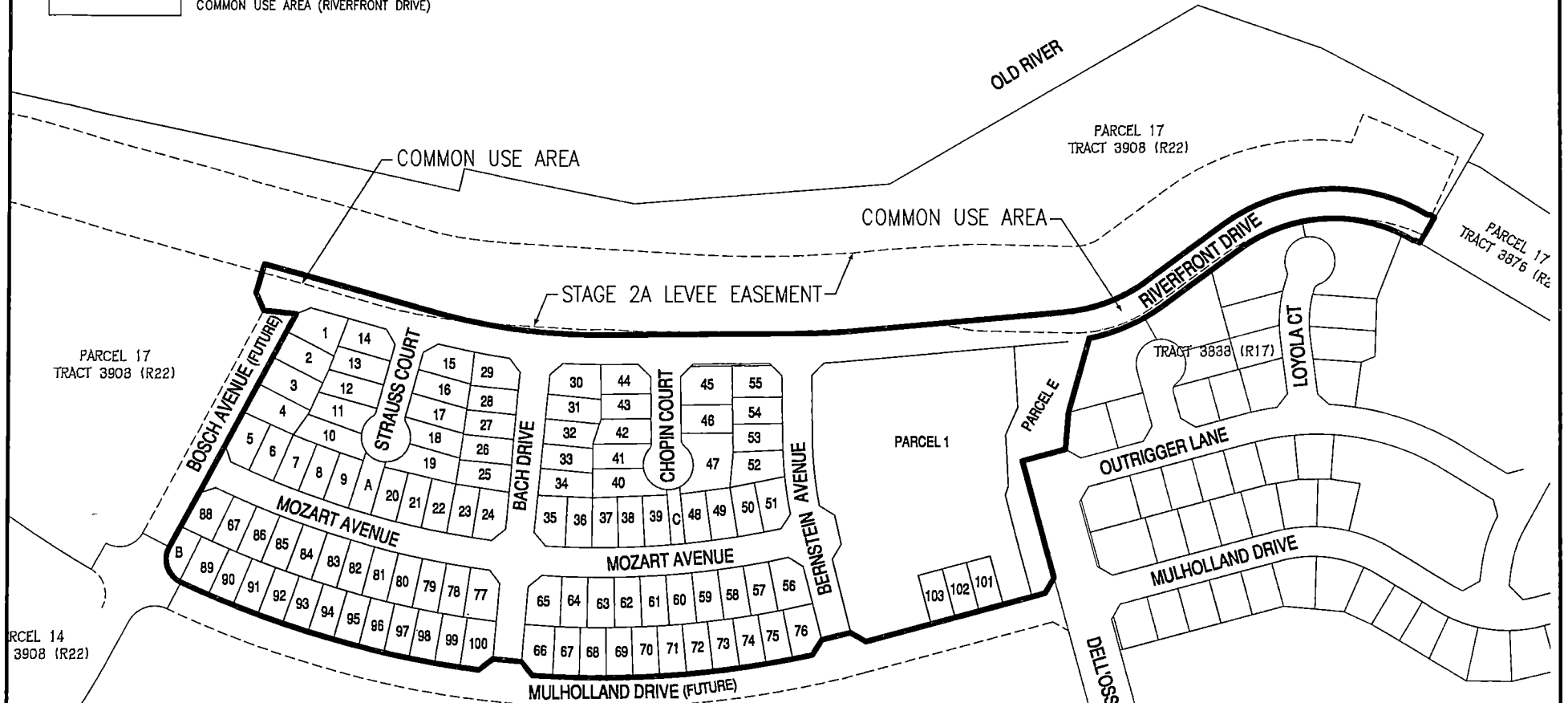



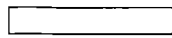


EXHIBIT "A"
VILLAGE AA
COMMON USE AREA
NOVEMBER 2018

EXHIBIT "B"
LAKE INTERCONNECT LINE DEPICTION

LEGEND

-  BOUNDARY
-  LOT LINE
-  LEVEE EASEMENT BOUNDARY (RD 2062)
-  COMMON USE AREA (RIVERFRONT DRIVE)

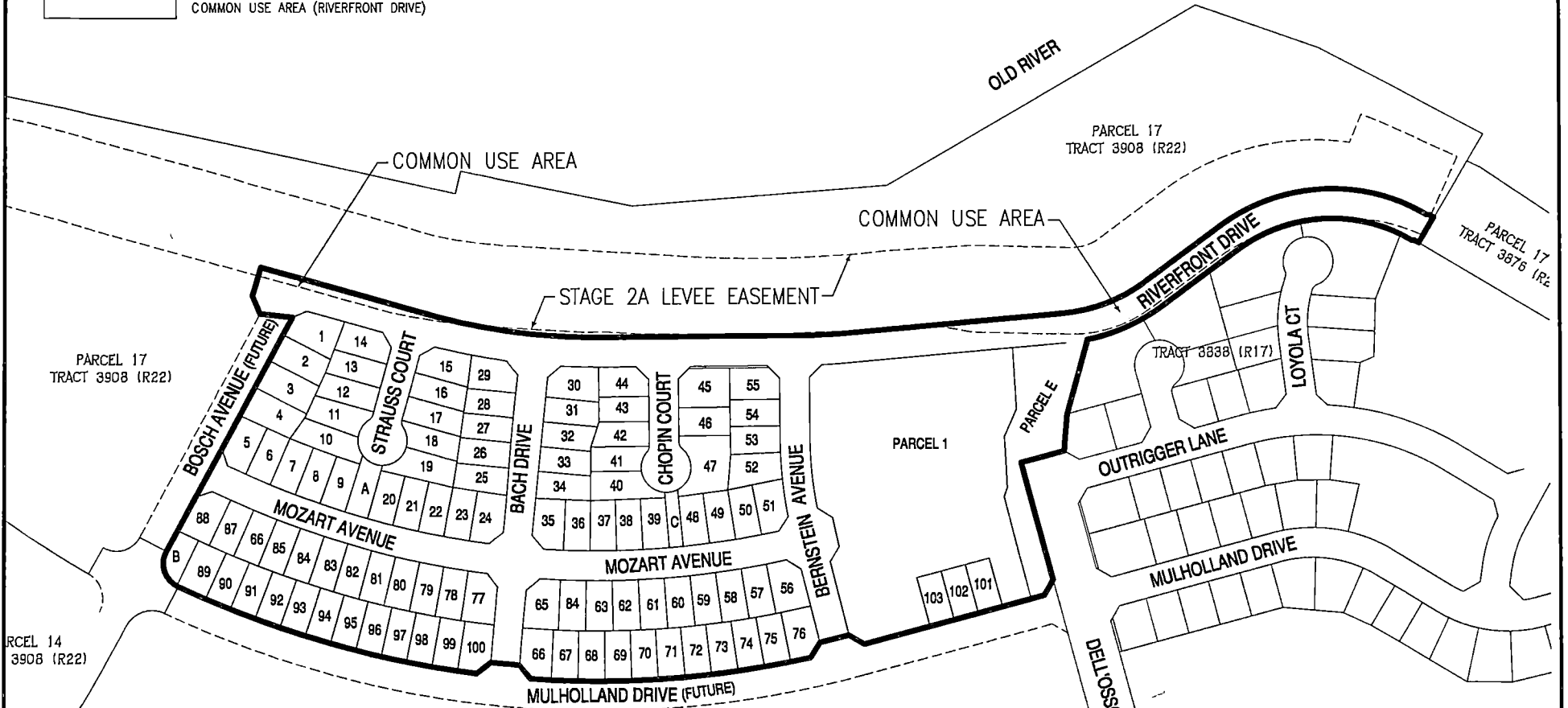


EXHIBIT "A"
VILLAGE AA
COMMON USE AREA
NOVEMBER 2018

EXHIBIT "B"
LAKE INTERCONNECT LINE DEPICTION

**ITEM: COMMUNITY FACILITIES DISTRICTS ANNUAL BOND
ACCOUNTABILITY REPORT FOR FY 2017/18**

**RECOMMENDATION: Receive Report for Bonded and Non Bonded
Community Facilities Districts**

SUMMARY:

As mandated by the California Government Code sections 53411 and 50075.3, City Staff is submitting the Annual Bond Accountability Report for the City's Community Facilities Districts ("CFDs") for FY ended June 30, 2018.

BACKGROUND:

Senate Bill 165 enacted the Local Agency Special Tax Bond Accountability Act. This Act requires the annual preparation of a report containing specific information concerning the use of the proceeds or annual special taxes for CFDs. The Act only applies to bonds issued on or after January 1, 2001 in accordance with Section 53410 of the California Government Code. There are seven CFDs included in the FY 2017/18 annual report, three bonded CFDs and four non-bonded services CFDs shown on separate pages (see Attachment "A" for a detailed listing).

Section 53411 and 50075.3 of the California Government Code requires the chief fiscal officer of the issuing local agency to file the annual report with its governing body no later than Jan 1 every year.

REASON FOR RECOMMENDATION:

The report will ensure compliance with Sections 53410, 53411 and 50075.3 of the California Government Code.

FISCAL IMPACT:

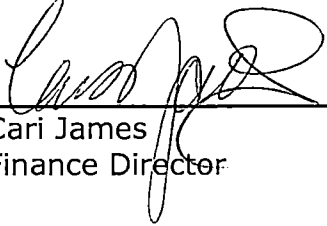
Staff time to prepare report.

ATTACHMENTS:

- A. Annual CFD Report for FY Ending June 30, 2018.

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 SPECIAL CITY COUNCIL MEETING
COMMUNITY FACILITIES DISTRICTS ANNUAL BOND ACCOUNTABILITY
REPORT FOR FY 2017/18**

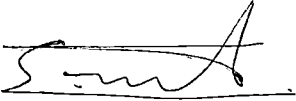
APPROVALS:



Cari James
Finance Director

10/9/18

Date



Salvador Navarrete
City Attorney

10-10-18

Date



Stephen Salvatore
City Manager

10-15-18

Date

**CITY OF LATHROP
BONDED COMMUNITY FACILITIES DISTRICTS REPORT
FOR FY ENDED 6/30/2018**

District	Initial Amount Deposited to Improvement Fund or Project Costs (1)	6/30/2018 Balance	Expended Amount	Project Status (2)
CFD 2003-1 (Mosssdale Village - Water)	\$6,716,563.00	\$0.00	\$6,716,563.00	Complete
CFD 2003-2 (Joint Wastewater)	\$6,096,532.33	\$0.00	\$6,096,532.33	Complete
CFD 2006-1 (Central Lathrop Specific Plan Infrastructure)	\$37,263,908.50	\$50.81	\$37,263,857.69	Ongoing

Note (1)

For CFD 2006-1 amount excludes \$4,000,000 initially deposited in the Escrow Fund per the Bond Indenture.

Note (2)

For CFD 2003-2, the project is now complete.

For CFD 2006-1, the Improvement Fund proceeds of the initial issuance are almost completely expended, however the CFD is authorized for an additional \$150 million of special tax bonds and future proceeds are meant to fund a portion of a project within an overall estimated cost (in 2006 dollars) of \$271 million.

**CITY OF LATHROP
NON-BONDED COMMUNITY FACILITIES DISTRICTS REPORT
FOR FY ENDED 6/30/2018**

District	7/1/2017 Balance (1)	Special Taxes collected during FY 2017/18 (2)	Expended Amount and Encumbrances (3)	6/30/2018 Balance	Project Status (4)
CFD 04-1 (Mosssdale Services)	\$318,130.51	\$2,140,493.76	\$2,276,539.65	\$182,084.62	Ongoing
CFD 2005-1 (Historic Lathrop Services)	\$54,743.22	\$46,669.83	\$46,698.97	\$54,714.08	Ongoing
CFD 2006-2 (Central Lathrop Specific Plan Services)	\$0.00	\$353,780.62	\$353,611.62	\$169.00	Ongoing
CFD No. 2013-1 (River Islands)	\$135,375.73	\$564,815.26	\$581,925.65	\$118,265.34	Ongoing

Note (1)

Beginning balances include previous year encumbrances carried forward for payment in the subsequent fiscal year.

Note (2)

For CFD 04-1 this amount represents the annual special taxes remitted by the San Joaquin County Auditor-Controller, building permit collections, interest earnings, and a transfer for capital equipment replacement.

For CFD 2005-1 this amount represents the annual special tax amounts remitted by the San Joaquin County Auditor-Controller and interest earnings.

For CFD 2006-2 this amount represents the annual special tax amounts remitted by San Joaquin County Auditor-Controller and interest earnings. The total tax amount is comprised of the total public safety component (\$221,400), and the actual receipts of the general governmental component (levied in the amount of \$199,151.76). (This CFD was partially removed from the San Joaquin County Teeter Plan beginning in FY 2010/11, and only the public safety portion of the annual budget is remitted via the Teeter Plan. The general governmental portion is a separate County tax code and remittance only includes actual collections.)

For CFD 2013-1 this amount represents the annual special tax amounts remitted by the San Joaquin County Auditor-Controller and interest earnings.

Note (3)

For CFD 2006-2, City staff reduced the level of service to the CLSP area (except for Public Safety), thus reducing payables; in response to San Joaquin County partial suspension of Teeter Plan funding to the CFD in October 2012. This was done in an effort to preserve the fund balance, which is anticipated to be needed in future fiscal years, to augment ongoing CFD revenue, as the CLSP area develops at a slower rate than originally anticipated.

Note (4)

All CFDs listed above are intended to provide funding for ongoing, perpetual operations and maintenance services.

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES) CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

RECOMMENDATION: City Council to Consider the Following:

- 1. Hold a Public Hearing; and**
- 2. Consider Approval of Resolutions of the City Council of the City of Lathrop For The Formation of Community Facilities Districts, Determine Necessity to Incur Bonded Indebtedness Within The Community Facilities Districts, Call A Special Election, Declare Results of Special Election and Direct Recording of Notice of Special Tax Liens, Levy Special Taxes, And Authorize The Issuance of Bonds.**

SUMMARY:

CFD 2006-1 has been, and continues to be, unable to meet its financial obligations. CFD 2006-1's obligations consist primarily of payments of principal and interest on its Special Tax Bonds, Series 2006 (Base CUSIP No. 51825P) ("2006-1 Bonds"). As a result of the non-payment of Special Tax by the property owners within the boundaries of CFD 2006-1, CFD 2006-1 has been unable to pay principal payments on the 2006-1 Bonds since 2007 and has only made minimal interest payments to the owners of the 2006-1 Bonds. As of June 30, 2018, the principal balance due on the 2006-1 Bonds is \$49,750,000, of that amount \$3,900,000 is currently due and payable. In addition, as of June 30, 2018, there was approximately \$25,955,800 in accrued and unpaid interest due the owners of the 2006-1 Bonds. Council approved a Restructuring Agreement on August 13, 2018.

Pursuant to the Restructuring Agreement, the City is to establish CFD 2018-1 and CFD 2018-2 for the purpose of paying off in full the obligations of the 2006-1 Bonds owned by Saybrook Bondholder. The boundaries of CFD 2018-1 and CFD 2018-2 are identical but the parcels within CFD 2018-1 and CFD 2018-2 are only portion of the parcels that make up CFD 2006-1. CFD 2006-1 future obligations will be removed from all parcels not owned by Saybrook.

This agenda item allows Council to take the actions necessary to authorize and issue the Series 2018-1 Bonds on behalf of CFD 2018-1 and the Series 2018-2 Bonds on behalf of CFD 2018-2 (collectively, "Series 2018 Bonds") in the collective approximate amount of \$71.8 million for the purpose of paying off in full and cancelling the CFD

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED
COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2**

2006-1 Bonds owned by Saybrook Bondholder. The Series 2018 Bonds will be secured by the levy of special taxes pursuant to the applicable Rate and Method of Apportionment of Special Taxes CFD 2018-1 and CFD 2018-2. The 2006-1 bonds of Minority Bondholders (all bondholders other than Saybrook Bondholder) in the approximate amount of \$4 million plus accrued interest of approximately \$2.1 million will be paid in full as part of the closing of the transactions under the Restructuring Agreement.

BACKGROUND:

The City initiated the process of forming Community Facilities District 2018-1 (Central Lathrop Specific Plan Facilities) pursuant to the Restructuring Agreement approved by the Council in its Resolution No. 18-4437.

Pursuant to the Restructuring Agreement, the current landowners ask the City to proceed with the establishment of two new CFDs- Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) ("CFD 2018-1"), and five improvement areas therein, and Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) ("CFD 2018-2") in order to restructure the 2006-1 special taxes and bond debt remaining after the payment in full of the 2006-1 Bonds held by the Minority Bondholders and facilitate the prepayment of and a termination of all remaining special taxes (including all penalties and interest) on parcels within the CFD 2006-1. After the consummation of the Bond transaction contemplated herein, resulting in the prepayment of special taxes for CFD 2006-1, CFD 2006-1 will be dissolved. CFD 2018-1 would cover approximately \$45,800,000 of the outstanding CFD 2006-1 Bond obligation and CFD 2018-02 would cover approximately \$26,000,000 of the remaining outstanding Bond CFD 2006-1 obligation. After restructure, 2006-01 will be satisfied on all land and only Saybrook-owned land will be subject to the special liens of CFDs 2018-1 and 2018-2.

On the same night the Restructuring Agreement was approved, Council adopted a Resolution of Intention to form CFDs 2018-1 and 2018-2 and a Resolution to Incur Indebtedness (to pay off the 2006-1 Bonds) for each CFD. In accord with Mello-Roos law, a public hearing on those matters was scheduled for today's Council meeting. The resolutions attached to this report will complete the formation of the two new CFDs, call and hold an election (ballots have previously been distributed to the sole landowner), declare the results of the election and authorize the levy of the special taxes. By separate additional resolution, the Council has the opportunity to authorize the issuance of the Bonds for each CFD as contemplated by the Restructuring Agreement.

The documents attached to this report complete the formation of CFDs 2018-1 and 2018-2 as detailed below:

1. Resolution of Formation of Community Facilities District. This officially forms the CFD, authorizes the special taxes to be collected and calls for the required property owner vote on the levy of taxes and the establishment of an

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED
COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2**

appropriations limit for the CFD (under Article XIII B of the Constitution). The Exhibit(s) to this resolution show the facilities and services to be financed and the formula by which the special taxes will be levied in the CFD.

2. Resolution Determining Necessity to Incur Bonded Indebtedness Within Community Facilities District. This makes the determination to issue bonds to be financed by the special taxes. The amount of bonds is a "not to exceed" amount. This resolution also calls for the required landowner vote on the issuance of bonds.
3. Resolution Calling Special Election. This sets the election for November 19, 2018 and provides the form of the special ballot to be used by the landowner-voter. Calling the election and actually having the election on the same night is allowed under CFD law due to the fact that the sole landowner in the CFD have waived certain time requirements for proceeding to the election.
4. Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien. This Resolution may be adopted by the Council after the vote is announced by the City Clerk. This Resolution confirms the outcome of the property owner election for the CFD and incorporates the attached copy of the official Canvass and Statement of Result of Election to be completed by the Clerk after the vote is announced. This resolution also directs the filing of the Notice of Special Tax Lien against the lands in the CFD to allow collection of the special tax on each property.
5. Ordinance Levying Special Taxes. Under applicable law, the Council must levy the special taxes by ordinance. Under the ordinance, the levy is made once by the adoption of this ordinance, and, in each year hereafter, the process of determining the special taxes and processing the collection is done administratively by the Director of Finance (or a consultant) and no further Council action is required.
6. Resolution Authorizing Issuance of Bonds. This Resolution completes the authorization to issue the bonds according to the terms of the Indenture, which is approved by Council in the Resolution. The Indenture is the document that authorizes the terms and conditions for the bonds. It provides that a fiscal agent will receive moneys generated from the special taxes levied in the CFD and use the moneys to pay bondholders. It also provides for the safekeeping of a reserve fund to cover payments should any deficiencies occur because of non-payment of special taxes.

REASON FOR RECOMMENDATION:

Taking the above actions will conclude the formation process for the new CFDs and authorize the issuance of a series of bonds for each CFD, steps necessary to complete the restructure of CFD 2006-1 pursuant to the Restructuring Agreement. The bond transactions are anticipated to close on or about December 18th, provided all of the conditions of the Restructuring Agreement are met. The effectiveness of the new CFDs and the issuance of new bonds are contingent on the actual closing and conditions of the Restructure Agreement including the payment in full of the 2006-1 Bonds held by

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED
COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2**

the Minority Bondholders. Upon closing, the 2006-1 Bonds will be deemed paid and the special tax obligation related to them extinguished.

FISCAL IMPACT:

There is no negative Fiscal Impact to the City or its general fund. Pursuant to the Deposit Agreement, as amended, by and between the City and the Majority Landowners, all costs of the transactions contemplated under the Restructuring Agreement are paid by the Landowner.

ATTACHMENTS:

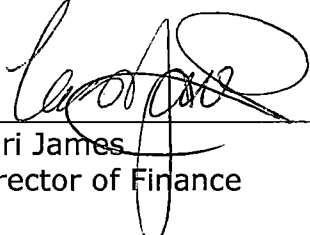
1. Resolution of the City Council of the City of Lathrop to form a Community Facilities District and five improvement areas therein and to levy a special tax to refinance the cost of certain public facilities in and for such district, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan).
2. Resolution of the City Council of the City of Lathrop determining necessity to incur bonded indebtedness for a Community Facilities District and five improvement areas therein, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan).
3. Resolution of the City Council of the City of Lathrop calling special election for a community facilities district and five improvement areas therein, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan).
4. Resolution of the City Council of the City of Lathrop declaring results of special election for a community Facilities District and directing recording of notice of special tax lien, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan).
5. Ordinance of the City Council of the City of Lathrop levying special taxes within City of Lathrop Community Facilities District no. 2018-1 (Central Lathrop Specific Plan Facilities).
6. Resolution of the City Council of the City of Lathrop authorizing the issuance of special tax bonds for and on behalf of each improvement area of a Community Facilities District, approving and directing the execution of indentures, approving sale of such bonds, and approving other related documents and actions, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan).
7. Bond Indenture, City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds
8. City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Community Facilities District Report.
9. Resolution of the City Council of the City of Lathrop to form a Community Facilities District and to levy a special tax to refinance the cost of certain public facilities in and for such district, City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan).
10. Resolution of the City Council of the City of Lathrop determining necessity to incur bonded indebtedness within a Community Facilities District City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific

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- Plan).
11. Resolution of the City Council of the City of Lathrop calling special election, City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities).
 12. Resolution of the City Council of the City of Lathrop declaring results of special election and directing recording of notice of special tax lien, City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan).
 13. Ordinance of the City Council of the City of Lathrop levying special taxes within City of Lathrop Community Facilities District no. 2018-2 (Central Lathrop Specific Plan Facilities).
 14. Resolution of the City Council of the City of Lathrop authorizing the issuance of special tax bonds for and on behalf of a Community Facilities District, approving and directing the execution of an indenture, approving sale of such bonds, and approving other related documents and actions, City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan).
 15. Bond Indenture, City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond.
 16. City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) Community Facilities District Report.

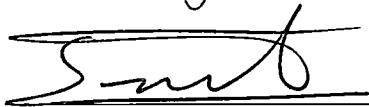
**CITY MANAGER'S REPORT
NOVEMBER 19, 2018, CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED
COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2**

APPROVALS:



Cari James
Director of Finance

11/15/18
Date



Salvador Navarrete
City Attorney

11-14-18
Date



Stephen J. Salvatore
City Manager

11-15-18
Date

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO FORM A
COMMUNITY FACILITIES DISTRICT AND FIVE IMPROVEMENT AREAS AND TO LEVY A
SPECIAL TAX TO REFINANCE THE COST OF CERTAIN PUBLIC FACILITIES IN AND FOR
SUCH DISTRICT**

**City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

WHEREAS, on August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intent to Establish a Community Facilities District and Five Improvement Areas Therein and Levy a Special Tax" (Resolution No. 18-4438, the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"); (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas");

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and the Improvement Areas and stating the facilities to be provided (the "Facilities" as set forth in the list attached hereto as Exhibit A), the cost of providing such facilities, and the rate and method of apportionment of the special tax to be levied within each of the Improvement Areas to pay the principal and interest on bonds proposed to be issued with respect to each Improvement Area, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, on this date, the Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD and the Improvement Areas;

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD and the Improvement Areas, the facilities to be provided therein, and the levy of said special tax were heard and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to the Council on said matters before it, including a report caused to be prepared by a designated official of the City (the "Report") as to the facilities to be provided through the CFD and the Improvement Areas and the costs thereof, a copy of which is on file with the City Clerk, and the Council at the conclusion of said hearing is fully advised in the premises;

WHEREAS, the special tax proposed to be levied in each of the Improvement Areas of the CFD to pay for the proposed facilities to be provided therein, as set forth in the formula in Exhibits B through F hereto, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the Improvement Areas or the owners of one-half (1/2) or more of the area of land within any of the Improvement Areas and not exempt from the special tax; and

NOW THEREFORE BE IT RESOLVED as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.
3. **Prior Proceedings Valid.** All prior proceedings taken by the Council in connection with the establishment of the CFD and the Improvement Areas and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
4. **Name of CFD and Improvement Areas.** The community facilities district designated "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" is hereby established pursuant to the Act.

The following improvement areas within the CFD are hereby established pursuant to the Act:

- (i) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1").
- (ii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2").
- (iii) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3").
- (iv) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4").
- (v) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5").

5. **Boundaries of CFD.** The boundaries of the CFD and the Improvement Areas, as set forth in the map of the CFD heretofore recorded in the office of the County Recorder of the County of San Joaquin on October 31, 2018, at Book 6 of Maps of Assessment and Community Facilities Districts at Page 141, as Document No. 2018-120652, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD and the Improvement Areas.

6. **Description of Facilities.** The CFD is being formed to pay and prepay the special tax obligation of the 2006 CFD (as described in the Resolution of Intention) and thereby provide redemption of the 2006 Bonds (as described in the Resolution of Intention) secured by such

special tax. The type of public facilities financed by the 2006 CFD and to be refinanced by the CFD and the Improvement Areas pursuant to the Act shall consist of those items listed as facilities in Exhibit A hereto and by this reference incorporated herein (the "Facilities").

7. Special Tax. Except to the extent that funds are otherwise available to the CFD and each of the Improvement Areas to pay for the Facilities and/or the principal and interest as it becomes due on bonds issued with respect to each respective Improvement Area to finance the Facilities, a special tax (the "Improvement Area Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in each respective Improvement Area, is intended to be levied annually within each Improvement Area, and collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that special taxes may be directly billed by the City and/or the Council may provide for other appropriate methods of collection by resolution of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

The proposed rate and method of apportionment of the Special Tax among the parcels of real property within each Improvement Area (as to each Improvement Area, its "Rate and Method"), in sufficient detail to allow each landowner within each Improvement Area to estimate the maximum amount such owner will have to pay, are shown in the five respective Rate and Methods attached hereto as Exhibits B through F and hereby incorporated herein.

As to each Improvement Area, the Improvement Area Special Tax to finance the Facilities shall not be levied in such Improvement Area after the fiscal year specified in the respective Rate and Method, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. In the case of any Special Tax to pay for the Facilities and to be levied against any parcel used for private residential purposes: (i) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes and which amount shall not be increased over time over two percent per year; (ii) the tax year after which no further Special Tax subject to this sentence shall be levied or collected shall be as set forth in Exhibit B hereto; and (iii) under no circumstances will the Special Tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel within the CFD by more than ten percent. For the purposes hereof, a parcel is used for "private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

8. Increased Demands. It is hereby found and determined that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD and the Improvement Areas.

9. Responsible Official. The Finance Director of the City of Lathrop, 390 Towne Centre Drive, Lathrop, California 95330, (209) 941-7320, is the officer of the City who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

10. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in each respective Improvement Area and this lien shall continue in force and effect until the special tax obligation is prepaid and

permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

11. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Improvement Areas is hereby preliminarily established at \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5, and said appropriations limit shall be submitted to the voters of each respective Improvement Area as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

12. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Improvement Area Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of each Improvement Area at an election. The time, place and conditions of the election shall be as specified by a separate resolution of the Council.

13. Callable Bonds and Tender. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution providing for the form, execution and issuance of bonds. In accordance with Sections 53344.1 and 53356.8 of the Act, bonds issued for any Improvement Area shall be permitted to be tendered for special taxes and the interest and penalties thereon, as specified in the documents setting forth the rights of the bondholders.

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

15. Effective Date. This resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) City of Lathrop, California

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 (the "Act") authorizes the creation of a Community Facilities District to finance public facilities, within or of benefit to the land in the district and/or to pay a special tax obligation and thereby provide redemption of indebtedness secured by such special tax. The CFD is proposed to be formed to pay the special tax obligation of the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") and thereby provide redemption of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds").

The facilities authorized for the 2006 CFD and related costs that were financed in whole or in part pursuant to the proceedings for the formation of the 2006 CFD included roadways and related improvements, wastewater system facilities and related improvements, potable water system facilities and related improvements, drainage system facilities and related improvements, recycled water system facilities and related improvements, park and open space facilities, habitat mitigation improvements and other public facilities necessary to meet development requirements.

In addition to the above purposes, the CFD may pay or provide financing for all administrative costs as allowed by the Act, including but not limited to costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, all "Administrative Expenses" as set forth in the Rate and Method of Apportionment of Special Tax for each Improvement Area and all costs otherwise incurred to carry out the authorized purposes of the CFD.

EXHIBIT B

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 1**

**IMPROVEMENT AREA NO. 1 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 1 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 1 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Base Special Tax” means, in Fiscal Year 2018-19, \$9,680 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$4,000 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 1 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 1. The Expected Land Uses at the time of CFD Formation are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Improvement Area No. 1” means Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 1 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 1 at the time of CFD Formation is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Formation is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 1 at the time of CFD Formation, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 1 after CFD Formation, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 1 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 1, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 1, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 1.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal

or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 1 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 1 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 1.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 1, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 1 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 1, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 1 at CFD Formation

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 1 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Formation. After recordation of each Large Lot Map for property in Improvement Area No. 1, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 1 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 1.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 1, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 1 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 1 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

- Step 9:** If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 10:** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

- Step 1.** Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.
- Step 2.** Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.
- Step 3.** Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.
- Step 4.** Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

Attachment 1
Improvement Area #1 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-210-38	22.9	Residential	\$9,680	\$221,672
191-210-39	22.7	Residential	\$9,680	\$219,736
191-210-40	15.2	Residential	\$9,680	\$147,136
191-210-41	12.3	Residential	\$9,680	\$119,064
191-210-42	16.3	Residential	\$9,680	\$157,784
191-210-43	4.1	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$865,392

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

6/20/2018

EXHIBIT C

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 2**

**IMPROVEMENT AREA NO. 2 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 2, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 2 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Unit” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 2 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 2 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Base Special Tax” means, in Fiscal Year 2018-19, \$9,680 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$4,000 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 2 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 2. The Expected Land Uses at the time of CFD Formation are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Improvement Area No. 2” means Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 2 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 2 at the time of CFD Formation is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Formation is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 2 at the time of CFD Formation, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 2 after CFD Formation, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 2 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 2, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 2, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 2.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal

or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 2 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 2 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 2.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 2, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 2 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 2, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 2 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 2 at CFD Formation

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 2 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Formation. After recordation of each Large Lot Map for property in Improvement Area No. 2, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 2 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 2.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 2, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 2 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 2 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

**Attachment 1
Improvement Area #2 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)**

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-21	17.0	Residential	\$9,680	\$164,560
191-200-23	10.8	Residential	\$9,680	\$104,544
191-200-24	15.3	Residential	\$9,680	\$148,104
191-210-17	13.7	Residential	\$9,680	\$132,616
191-200-25	4.5	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$549,824

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

6/20/2018

EXHIBIT D

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 3**

**IMPROVEMENT AREA NO. 3 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 3, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 3 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 3 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 3 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Base Special Tax” means, in Fiscal Year 2018-19, \$9,680 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$4,000 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 3 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 3. The Expected Land Uses at the time of CFD Formation are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Improvement Area No. 3” means Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 3 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 3 at the time of CFD Formation is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Formation is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 3 at the time of CFD Formation, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 3 after CFD Formation, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 3 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 3, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 3, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 3.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal

or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 3 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 3 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 3.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 3, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 3 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 3, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 3 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 3 at CFD Formation

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 3 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Formation. After recordation of each Large Lot Map for property in Improvement Area No. 3, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 3 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 3.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 3, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 3 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 3 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

Attachment 1
Improvement Area #3 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-26	12.2	Residential	\$9,680	\$118,096
191-210-18	16.8	Residential	\$9,680	\$162,624
191-210-19	18.0	Residential	\$9,680	\$174,240
191-210-21	22.5	Residential	\$9,680	\$217,800
191-210-22	20.9	Residential	\$9,680	\$202,312
191-210-23	19.5	Residential	\$9,680	\$188,760
191-210-20	5.1	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$1,063,832

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

6/20/2018

EXHIBIT E

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 4**

**IMPROVEMENT AREA NO. 4 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 4, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 4 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Unit” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“Acre” or **“Acreage”** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 4 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 4 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Base Special Tax” means, in Fiscal Year 2018-19, \$9,680 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$4,000 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 4 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 4. The Expected Land Uses at the time of CFD Formation are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Improvement Area No. 4” means Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 4 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 4 at the time of CFD Formation is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Formation is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 4 at the time of CFD Formation, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 4 after CFD Formation, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 4 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 4, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 4, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 4.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal

or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 4 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 4 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 4.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 4, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 4 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 4, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 4 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 4 at CFD Formation

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 4 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Formation. After recordation of each Large Lot Map for property in Improvement Area No. 4, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 4 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 4.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 4, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 4 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 4 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

Attachment 1
Improvement Area #4 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-210-33	19.5	Residential	\$9,680	\$188,760
191-210-35	20.6	Residential	\$9,680	\$199,408
191-210-30	7.8	Pond/Sprayfield	\$0	\$0
191-210-31	28.5	Public (Park)	\$0	\$0
191-210-32	16.4	Public	\$0	\$0
191-210-34	5.0	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$388,168

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

6/20/2018

EXHIBIT F

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 5**

**IMPROVEMENT AREA NO. 5 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 5, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 5 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 5 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 5 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“Base Special Tax” means, in Fiscal Year 2018-19, \$9,680 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$4,000 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 5 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 5. The Expected Land Uses at the time of CFD Formation are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Improvement Area No. 5” means Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 5 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 5 at the time of CFD Formation is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Formation is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 5 at the time of CFD Formation, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 5 after CFD Formation, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 5 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 5, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 5, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 5.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal

or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 5 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 5 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 5.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 5, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 5 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 5, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 5 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 5 at CFD Formation

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 5 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Formation. After recordation of each Large Lot Map for property in Improvement Area No. 5, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 5 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 5.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 5, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 5 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 5 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses.
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

- Step 1.** Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.
- Step 2.** Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.
- Step 3.** Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.
- Step 4.** Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

Attachment 1
Improvement Area #5 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-16	11.2	Non-Residential	\$4,000	\$44,800
191-200-17	18.3	Non-Residential	\$4,000	\$73,200
191-200-18	24.3	Non-Residential	\$4,000	\$97,200
191-210-10	19.0	Non-Residential	\$4,000	\$76,000
191-200-19	8.4	Pond/Sprayfield	\$0	\$0
191-210-07	14.4	Pond/Sprayfield	\$0	\$0
191-210-08	18.6	Pond/Sprayfield	\$0	\$0
191-210-09	19.5	Pond/Sprayfield	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$291,200

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

6/20/2018

RESOLUTION NO. _____**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DETERMINING
NECESSITY TO INCUR BONDED INDEBTEDNESS FOR A COMMUNITY FACILITIES
DISTRICT AND FIVE IMPROVEMENT AREAS THEREIN****City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

WHEREAS, on August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intent to Establish a Community Facilities District and Five Improvement Areas Therein and Levy a Special Tax" (Resolution No. 18-4438, the "Resolution of Intention") stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD)", (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas");

WHEREAS, on August 13, 2018, the Council also adopted a resolution entitled "A Resolution of Intent to Incur Bonded Indebtedness for Each Improvement Area of a Community Facilities District" (Resolution No. 18-4439, the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness (as contemplated by the Act) within the boundaries of the CFD and the Improvement Areas for the purpose of financing the costs of certain facilities specified in the Resolution of Intention;

WHEREAS, the Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD and the Improvement Areas, the refinancing of certain public facilities by the CFD and the rate and method of apportionment of the special tax to be levied within the Improvement Areas to pay the cost of the Facilities (as described in the Resolution of Intention), the principal and interest on proposed bonded indebtedness for each Improvement Area, and the administrative costs of the City relative to the CFD;

WHEREAS, subsequent to the public hearing, this City Council adopted a resolution entitled "Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (the "Resolution of Formation");

WHEREAS, this City Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk.

NOW THEREFORE BE IT RESOLVED as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **Necessity.** In order to finance the costs of the Facilities, including, but not limited to, the costs of issuing and selling bonds to finance all or a portion of the Facilities and the costs of the City in establishing and administering the CFD, it is necessary for the City to incur bonded indebtedness on behalf of each Improvement Area in an aggregate amount not to exceed \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5.
3. **Each Entire Improvement Area Liable.** The whole of each Improvement Area shall pay for the bonded indebtedness issued by the City for each respective Improvement Area through the levy of the facilities special tax within such Improvement Area. The tax shall be apportioned in accordance with the respective formula for each Improvement Area set forth in the respective Exhibits "B-F" to the Resolution of Formation.
4. **Bonds.** Subject to Section 2 above, bonds (as contemplated by the Act) in the aggregate maximum amount of not to exceed \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5 are hereby authorized for each Improvement Area subject to voter approval. Bonds subject to this limit shall only include indebtedness evidenced by bonds or notes and shall not include bonds described in Section 53364.2(e) of the Act. The bonds for each Improvement Area may be issued in one or more series and mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as this City Council or its designee shall determine, at the time or times of sale of such bonds; provided, however, that the interest rate or rates shall not to exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds and the bonds or any series thereof shall have a maximum term of not to exceed 40 years.
5. **Election.** The proposition of the City incurring the bonds for each Improvement Area as herein authorized shall be submitted to the qualified electors of each Improvement Area and shall be consolidated with elections on the proposition of levying special taxes within each Improvement Area and the establishment of an appropriations limit for each Improvement Area pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this City Council.
6. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

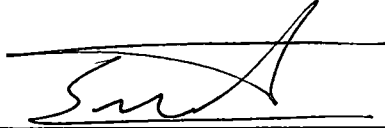
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP CALLING SPECIAL
ELECTION FOR A COMMUNITY FACILITIES DISTRICT AND FIVE IMPROVEMENT AREAS
THEREIN**

**City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") has adopted a resolution entitled "Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (the "Resolution of Formation"), ordering the formation of (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas"), authorizing the levy of a special tax on property within the Improvement Areas and preliminarily establishing an appropriations limit for each Improvement Area; and

WHEREAS, the Council has also adopted a resolution entitled "Resolution Determining Necessity to Incur Bonded Indebtedness for a Community Facilities District and Five Improvement Areas Therein" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5 upon the security of the facilities special tax to be levied within each respective Improvement Area pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of each Improvement Area as required by the provisions of the Act;

NOW THEREFORE BE IT RESOLVED, as follows:

1. Issued Submitted. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit with respect to the improvement areas shall be submitted to the qualified electors (as defined below) of each Improvement Area at an election called therefor as provided below.

2. Qualified Electors. The Council hereby finds that fewer than 12 persons have been registered to vote within the territory of each Improvement Area for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by the Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, the Council finds that, for these proceedings, the qualified electors for each Improvement Area are the landowners within each respective Improvement Area and that the vote shall be by such landowners or their authorized representatives in a single ballot, each having one vote for each acre or portion thereof such landowner owns in such Improvement Area not exempt from the special tax as of the close of the public hearings.

3. Conduct of Election. The Council acknowledges receipt of waivers of certain election formalities from the owners of all the land in the CFD and hereby calls a special election in each Improvement Area to consider the measures described in section 1 above, which election shall be held on November 19, 2018, and the results thereof canvassed at the meeting of the Council on November 19, 2018. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until 7:00 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD and each Improvement Area, and a sufficient description to allow the City Clerk to determine the electors of each Improvement Area. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code, except as modified by waivers of the electors, and except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of election.

4. Ballot. The Council finds that a single landowner owns all of the land within all the Improvement Areas. As authorized by Section 53353.5 of the Act, the three propositions described in Section 1 above shall be combined into a single ballot measure for each Improvement Area of the CFD, the forms of which are attached hereto as Exhibit "A-1" through "A-5" and by this reference incorporated herein and the forms of ballot are hereby approved. The City Clerk is hereby authorized and directed to cause the ballots, in substantially the form of Exhibit "A-1" through "A-5" to be delivered to the landowner, as the sole qualified elector for each Improvement Area. The ballot shall indicate the number of votes for the respective Improvement Area to be voted by the landowner. The Council hereby finds that the provisions of Section 53327 and 53327.5 of the Act requiring that each ballot be accompanied by all supplies and written instructions necessary for the use and return of the ballot and the envelope to be used to return the ballot shall be enclosed with the ballot, return postage prepaid, and containing representations and requirements as to certain election procedures are for the protection of the qualified electors of each Improvement Area and there is on file with the City Clerk a written waiver such procedures and requirements executed by all of the qualified electors of each Improvement Area, all electors of which have requested formation of the Improvement Areas and levy of special taxes. Accordingly, the Council finds and determines that the qualified electors have been fully apprised of and have agreed to the conduct of the election without such procedures and requirements, and have thereby been fully protected in these proceedings upon distribution and return of the ballots in the manner deemed appropriate by the City and all of the electors.

5. Waivers. The Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of each Improvement Area. There is on file with the City Clerk a written waiver executed by all of the

qualified electors of each Improvement Area allowing for a shortening of the time for the special election to expedite the process of formation of each Improvement Area and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, the Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. The Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

6. Accountability. The Council hereby finds that the proposed issuance of bonds and other debt for each Improvement Area constitutes a "local bond measure" within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall provide accountability measures that include: (a) the specific purpose of the bonds; (b) any proceeds received from the sale of any bonds and other debt shall be applied only to the purposes; (c) the proceeds of any bonds and other debt shall be deposited into special accounts to be created therefor as part of the issuance of the bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the provision and/or acquisition of the Facilities, the payment of debt service on the bonds and other debt and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds of the special tax shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual audit and report of the CFD.

7. Effective Date. This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

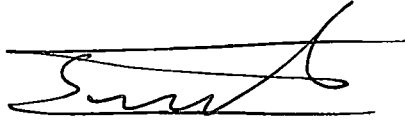
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A-1

CITY OF LATHROP
Improvement Area No. 1 of
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk’s office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the “City”) levy a special tax solely on lands within Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the “CFD”), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (“Formation Resolution”), commencing in or after the City’s fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 1 be established in the amount of \$13,630,000; and shall the City issue bonds (“bonds”) for Improvement Area No. 1 in the maximum aggregate principal amount of \$13,630,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

YES: _____

NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Improvement Area No. 1
Number of Acres: 93.5
Number of Votes: 94

Property Owner:

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

EXHIBIT A-2

CITY OF LATHROP
Improvement Area No. 2 of
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk's office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 2 be established in the amount of \$8,945,000; and shall the City issue bonds ("bonds") for Improvement Area No. 2 in the maximum aggregate principal amount of \$8,945,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

YES: _____

NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Improvement Area No. 2
Number of Acres: 61.3
Number of Votes: 62

Property Owner:

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

EXHIBIT A-

CITY OF LATHROP
Improvement Area No. 3 of
Community Facilities District No. 3018-1
(Central Lathrop Specific Plan Facilities)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk's office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 3018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 3 be established in the amount of \$16,625,000; and shall the City issue bonds ("bonds") for Improvement Area No. 3 in the maximum aggregate principal amount of \$16,625,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

YES: _____

NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Improvement Area No. 3
Number of Acres: 115.0
Number of Votes: 115

Property Owner:

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

EXHIBIT A-4

CITY OF LATHROP
Improvement Area No. 4 of
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk’s office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the “City”) levy a special tax solely on lands within Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the “CFD”), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (“Formation Resolution”), commencing in or after the City’s fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 4 be established in the amount of \$6,565,000; and shall the City issue bonds (“bonds”) for Improvement Area No. 4 in the maximum aggregate principal amount of \$6,565,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

YES: _____
NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Improvement Area No. 4
Number of Acres: 97.8
Number of Votes: 98

Property Owner:

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

EXHIBIT A-5

**CITY OF LATHROP
Improvement Area No. 5 of
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

**OFFICIAL BALLOT
SPECIAL TAX ELECTION**

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk's office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 5 be established in the amount of \$4,970,000; and shall the City issue bonds ("bonds") for Improvement Area No. 5 in the maximum aggregate principal amount of \$4,970,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

YES: _____

NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Improvement Area No. 5
Number of Acres: 133.7
Number of Votes: 134

Property Owner:

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DECLARING RESULTS
OF SPECIAL ELECTIONS FOR A COMMUNITY FACILITIES DISTRICT AND DIRECTING
RECORDING OF NOTICE OF SPECIAL TAX LIEN**

**City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") has adopted a resolution entitled "Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District" (the "Resolution of Formation"), ordering (A) the formation of (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas"); and (B) authorizing the levy of a special tax on property within each Improvement Area and preliminarily establishing an appropriations limit for each Improvement Area; and

WHEREAS, the Council has also adopted a resolution entitled "Resolution Determining Necessity to Incur Bonded Indebtedness for a Community Facilities District and Five Improvement Areas Therein" (the "Resolution of Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5 upon the security of the special tax to be levied within each Improvement Area pursuant to the Act; and

WHEREAS, under the provisions of the Resolution of Formation and the Resolution of Necessity and pursuant to a "Resolution Calling Special Election for a Community Facilities District and Five Improvement Areas Therein" (the "Election Resolution") adopted by the Council, the propositions for each Improvement Area of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of each Improvement Area as required by the provisions of the Act.

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held for each Improvement Area and the City Clerk has on file a Canvass and Statement of Results of Election, (the "Canvass") a copy of which is attached hereto as Exhibit A-1 through A-5; and

WHEREAS, the Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for each Improvement Area.

NOW THEREFORE BE IT RESOLVED, as follows:

1. **Recitals Correct.** The foregoing recitals are all true and correct.
2. **Issues Presented.** The issues presented at the special elections were the levy of a special tax within each Improvement Area, the incurring of a bonded indebtedness for each Improvement Area, and the approval of an annual appropriations limit for each Improvement Area, all pursuant to the Resolution of Formation and the Resolution of Necessity.
3. **Canvass and Issues Approved.** The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for each Improvement Area. Pursuant to the Canvass, the issues presented at the special elections were approved by the qualified electors of each Improvement Area by more than two-thirds (2/3) of the votes cast at the respective special election.
4. **Proceedings Approved.** Pursuant to the voter approval, each Improvement Area is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by the Council with respect to the CFD and each Improvement Area were valid and in conformity with the Act.
5. **Notice of Tax Lien.** The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of San Joaquin a notice of special tax lien for each Improvement Area in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption by the Council of this resolution.
6. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

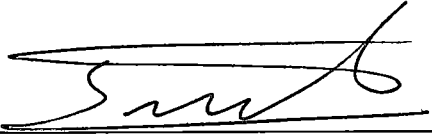
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

CANVASS AND STATEMENT OF RESULT OF ELECTION

Improvement Area No. 1 of
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

I hereby certify that on November 19, 2018 I canvassed the returns of the special election held on November 19, 2018 in Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
Improvement Area 1	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 1 be established in the amount of \$13,630,000; and shall the City issue bonds ("bonds") for Improvement Area No. 1 in the maximum aggregate principal amount of \$13,630,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2018.

By: _____
City Clerk

CANVASS AND STATEMENT OF RESULT OF ELECTION

Improvement Area No. 2 of
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

I hereby certify that on November 19, 2018 I canvassed the returns of the special election held on November 19, 2018 in Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
Improvement Area 1	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 2 be established in the amount of \$8,945,000; and shall the City issue bonds ("bonds") for Improvement Area No. 2 in the maximum aggregate principal amount of \$8,945,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2018.

By: _____
City Clerk

CANVASS AND STATEMENT OF RESULT OF ELECTION

Improvement Area No. 3 of
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

I hereby certify that on November 19, 2018 I canvassed the returns of the special election held on November 19, 2018 in Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner <u>Votes</u>	Votes <u>Cast</u>	<u>YES</u>	<u>NO</u>
Improvement Area 1	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 3018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 3 be established in the amount of \$16,625,000; and shall the City issue bonds ("bonds") for Improvement Area No. 3 in the maximum aggregate principal amount of \$16,625,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this _____ day of _____, 2018.

By: _____
City Clerk

CANVASS AND STATEMENT OF RESULT OF ELECTION

Improvement Area No. 4 of
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

I hereby certify that on November 19, 2018 I canvassed the returns of the special election held on November 19, 2018 in Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
Improvement Area 1	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 4 be established in the amount of \$6,565,000; and shall the City issue bonds ("bonds") for Improvement Area No. 4 in the maximum aggregate principal amount of \$6,565,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this _____ day of _____, 2018.

By: _____
City Clerk

CANVASS AND STATEMENT OF RESULT OF ELECTION

Improvement Area No. 5 of
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)

I hereby certify that on November 19, 2018 I canvassed the returns of the special election held on November 19, 2018 in Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
Improvement Area 1	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Lathrop (the "City") levy a special tax solely on lands within Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), in accordance with the rate and method for such improvement area contained in the Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District ("Formation Resolution"), commencing in or after the City's fiscal year 2018-19, to pay for the public facilities specified in the Formation Resolution and to pay the costs of the City in administering the CFD; shall the annual appropriations limit of Improvement Area No. 5 be established in the amount of \$4,970,000; and shall the City issue bonds ("bonds") for Improvement Area No. 5 in the maximum aggregate principal amount of \$4,970,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of such Improvement Area, the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2018.

By: _____
City Clerk

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP
LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY
FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC
PLAN FACILITIES)**

WHEREAS, on November 19, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intention to Form a Community Facilities District and Five Improvement Areas Therein and to Levy a Special Tax in the District to Finance Public Facilities" (the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas");

WHEREAS, notice was published as required by the Act relative to the intention of the Council to form the CFD and Improvement Areas, to provide for certain public facilities and to incur bonded indebtedness for the CFD and Improvement Areas;

WHEREAS, the Council has held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and Improvement Areas and the rate and method of apportionment of the special tax to be levied within each Improvement Area to finance a portion of the costs of the public facilities and (ii) the issuance of bonded indebtedness and other debt for each Improvement Area;

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and Improvement Areas and the levy of said special taxes were heard, substantial evidence was presented and considered by the Council and a full and fair hearing was held;

WHEREAS, subsequent to the hearing, the Council adopted its Resolution No. _____ entitled "Resolution to Form a Community Facilities District and Five Improvement Areas and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for Such District" (the "Resolution of Formation"), its Resolution Determining the Necessity to Incur Bonded Indebtedness for a Community Facilities District and Five Improvement Areas Therein" (the "Resolution Determining Necessity") and its Resolution Calling Special Election for a Community Facilities District and Five Improvement Areas Therein" (the "Election Resolution"), which resolutions defined the public facilities to be financed by the CFD (the

"Facilities"), established the CFD and each Improvement Area, authorized the levy of a special tax within each Improvement Area, determined the necessity to incur bonded indebtedness in each Improvement Area and called an election within each Improvement Area on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within each Improvement Area, respectively; and

WHEREAS, on November 19, 2018 a special election was held with respect to each Improvement Area at which the eligible landowner-electors of each Improvement Area approved such propositions by the two-thirds vote required by the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LATHROP, as follows:

Section 1. By the passage of this Ordinance the Council hereby authorizes and levies special taxes within Improvement Area 1, Improvement Area 2, Improvement Area 3, Improvement Area 4, and Improvement Area 5 pursuant to the Act. With respect to each Improvement Area, the City shall levy the special taxes at the rate and in accordance with the formula (for each Improvement Area, the respective "Rate and Method") set forth in the Resolution of Formation, which Resolution of Formation is by this reference incorporated herein. The special taxes are hereby authorized to be levied commencing in fiscal year 2018-19 and in each fiscal year thereafter for the period provided in applicable Rate and Method, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering the CFD.

Section 2. The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within each Improvement Area in the manner and as provided in the Resolution of Formation.

Section 3. Except as provided in the Rate and Method, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within each Improvement Area in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal and interest on bonds issued by the City for each Improvement Area (the "Bonds"), the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that special taxes may be directly billed by the City and/or the Council may provide for other appropriate methods of collection by resolutions of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. If the special taxes are to be collected in the same manner as ordinary ad valorem taxes are collected, the Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Joaquin in order to effect proper billing and collection of the special tax, or take such other appropriate action, so

that the special tax shall be included on the secured property tax roll of the County of San Joaquin for fiscal year 2018-19 and for each fiscal year thereafter until the Bonds are paid in full or such longer period of time provided in the Rate and Method.

Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within an Improvement Area, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within such Improvement Area shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

The foregoing Ordinance was adopted this 19th day of November, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

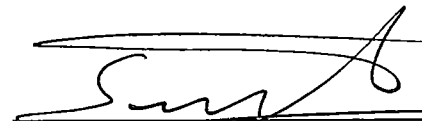
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS
FOR AND ON BEHALF OF EACH IMPROVEMENT AREA OF A COMMUNITY
FACILITIES DISTRICT, APPROVING AND DIRECTING THE EXECUTION OF
INDENTURES, APPROVING SALE OF SUCH BONDS, AND APPROVING
OTHER RELATED DOCUMENTS AND ACTIONS**

**City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

WHEREAS, on June 6, 2006, the City Council (the "Council") of the City of Lathrop (the "City") adopted Resolution No. 06-2164, entitled "A Resolution of Formation of Community Facilities District and to Levy Special Tax in Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure)" which established the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, and, pursuant to a vote of the then qualified electors of the 2006 CFD, the City is authorized to levy a Special Tax therein and issued its City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds") on behalf of the 2006 CFD for the purpose of financing improvements of benefit to land in the 2006 CFD; and

WHEREAS, the land in a portion of the 2006 CFD has been acquired by Saybrook CLSP, LLC, a Delaware limited liability company and Lathrop Land Acquisition, LLC, a Delaware limited liability company (together, the "Landowners"), and the Landowners have requested that the special tax obligation of the 2006 CFD be deemed prepaid upon participation by the Landowners in two new community facilities districts which the City has established for the purpose of refinancing the 2006 Bonds, all pursuant to a "Restructuring Agreement for the Community Facilities District No. 2006-1" (the "Restructuring Agreement") by and among the City, the 2006 Trustee and the Landowners, which the parties thereto have determined is a mutually beneficial resolution of the delinquency issues pertaining to the CFD and which the parties expect will meet the needs of the current development plan of land within the two new community facilities districts; and

WHEREAS, pursuant to the Restructuring Agreement the Council has established Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD") and Improvement Area No. 1, No. 2, No.3, No. 4 and No. 5 thereof (each an "Improvement Area"), and authorized the levy of special taxes upon the land within the District and bonds secured by said special taxes in each Improvement Area in the maximum principal amount of not to exceed: \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5; and

WHEREAS, the City Council now desires to approve the issuance of bonds for each respective Improvement Area designated (i) "City of Lathrop Community Facilities District No.

2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds," (ii) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 2 2018 Special Tax Bonds," (iii) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 3 2018 Special Tax Bonds," (iv) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 4 2018 Special Tax Bonds," and (v) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 5 2018 Special Tax Bonds (collectively, the "Bonds"); and

WHEREAS, there has been submitted to the City Council a form of Bond Indenture to be applicable to Bonds of each Improvement Area (each, an "Indenture") providing for the issuance of the respective Bonds of the City for the District and respective Improvement Area, and the City Council, with the aid of City staff, has reviewed the form of Indenture and found it to be in proper order, and now desires to approve the Indenture and the issuance of the Bonds for the District and respective Improvement Area; and

WHEREAS, the City proposes to sell the Bonds in a private placement pursuant to the terms of the Restructuring Agreement; and

WHEREAS, it appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, IT IS RESOLVED as follows:

1. Pursuant to the Act, this Resolution and the Indentures, special tax bonds of the City for the each Improvement Area designated as "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. [] 2018 Special Tax Bonds " in an aggregate principal amount not to exceed: \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5 are hereby authorized to be issued. The Bonds shall be executed in the form set forth in and otherwise as provided in the Indentures.

In furtherance of the issuance of the Bonds, the City Council hereby makes the following findings and determinations: (i) it is prudent in the management and development of the City and the CFD to issue the Bonds for the purpose of providing moneys for the refinancing of facilities authorized to be financed by the CFD and the Improvement Areas, which facilities were originally financed with the 2006 Bonds, (ii) the Bonds and the CFD are in compliance with the City's Goals and Policies for Mello Roos Financings, in light of the circumstances surrounding the 2006 Bonds, and (iii) the Council has not concluded that the value of the real property within each Improvement Area subject to the special tax to pay debt service on the respective series of Bonds is at least three times the proposed principal amount of such Bonds and the principal

amount of bonds anticipated to be issued by the City's Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) Special Tax Bonds, however the Council finds that the sale of the Bonds for each Improvement Area shall proceed notwithstanding the absence of such determination for public policy reasons and due to special circumstances, all related to the need to refinance the 2006 Bonds due to significant delinquencies in the payment of the special taxes of the 2006 CFD and the 2006 Bonds and the opportunity to refinance the 2006 Bonds in a manner which allows for development in the CFD to proceed.

2. The City Council hereby approves the Indenture in the form presented to the City Council at this meeting, which form is approved for Bonds applicable to each Improvement Area. The Finance Director, the City Manager, the City Attorney or such other person or persons as either of them may designate (each, an "Authorized Officer") are each hereby authorized and directed to execute a separate Indenture for each Improvement Area, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with the City's Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Indentures.

3. The City hereby covenants, for the benefit of the Bondowners, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Indentures.

4. The Bonds, when executed, shall be delivered to the Trustee appointed in the Indenture for authentication. The Trustee is hereby requested and directed to authenticate each series of the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser in accordance with the Restructuring Agreement and written instructions executed on behalf of the City by one or more of the Authorized Officers, which instructions such officers are each hereby authorized, for and in the name and on behalf of the City, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser thereof, upon receipt of consideration for the purchase price therefor.

5. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are each hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. Any document herein approved and executed and delivered by any one of the Authorized Officers shall be a valid and binding agreement of the City.

6. This Resolution shall take effect from and after its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

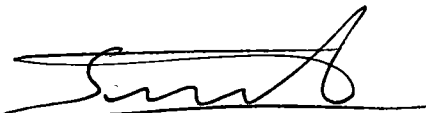
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

BOND INDENTURE

Between

CITY OF LATHROP

and

**UMB, National Association,
as Trustee**

Dated as of December 1, 2018

**\$ _____
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA NO. 1
2018 SPECIAL TAX BONDS**

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EXHIBIT A FORM OF 2018 SPECIAL TAX BOND

A-1

BOND INDENTURE

THIS BOND INDENTURE (this "Indenture") is made and entered into as of _____ 1, 2018, by and between the City of Lathrop, a municipal corporation and general law city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for and on behalf of the City's Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 ("Improvement Area No. 1"), and UMB, National Association (the "Trustee"), and governs the terms of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds (the "Bonds").

R E C I T A L S :

WHEREAS, on June 6, 2006, the City Council of the City adopted Resolution No. 06-2164, entitled "A Resolution of Formation of Community Facilities District and to Levy Special Tax in Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase I Infrastructure)" which established the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase I Infrastructure) (the "2006 CFD") under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the "Act"), and, pursuant to a vote of the then qualified electors of the 2006 CFD, the City is authorized to levy and has levied special taxes and incurred bonded indebtedness for the purpose of financing improvements of benefit to land in the 2006 CFD; and

WHEREAS, in 2006 the City issued on behalf of the 2006 CFD its \$50,000,000 principal amount of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds Series 2006 (the "2006 Bonds") payable from the special taxes levied on taxable property within the 2006 CFD; and

WHEREAS, due to the non-payment of special taxes of the 2006 CFD and default in payment of the 2006 Bonds, two owners holding a large portion of the land within the 2006 CFD have entered into a Restructuring Agreement dated as of August 13, 2018 with, among others, the City (the "Restructuring Agreement") and has caused all holders of the 2006 Bonds who are not affiliated with such owner to be paid in full; and

WHEREAS, the terms of the Restructuring Agreement provide that the City terminate the special tax of the 2006 CFD and release the special tax lien on all parcels of land within the 2006 CFD and replace it with the special tax of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities), which includes Improvement Area No. 1 and its four other improvement areas (together, the "CFD 2018-1") and, within the same boundary as CFD 2018-1, the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD" or "CFD 2018-2"), each of which will encompass certain parcels originally in the 2006 CFD, all pursuant to the terms of the Restructuring Agreement, in order to meet the needs of the current development plan of land within CFD 2018-1 and CFD 2018-2; and

WHEREAS, at the request of the owner of all the land in CFD 2018-1, the City established CFD 2018-1 in order to refinance costs of public infrastructure necessary or incidental to such development and financed by the 2006 CFD, to facilitate the prepayment, waiver and termination of all of the special tax on parcels within the 2006 CFD (whether

delinquent or otherwise, and including all penalties and interest thereon), certain of which parcels are included in CFD 2018-1;

WHEREAS, the City Council formed CFD 2018-1 under the provisions of the Act and the City Council, as the legislative body with respect to CFD 2018-1, is authorized under the Act to levy special taxes to facilitate prepayment of the special taxes of the 2006 CFD and thereby refinance the costs of facilities financed by the 2006 CFD and to authorize the issuance of up to \$13,630,000 of bonds secured by special taxes in Improvement Area No. 1 under the Act; and

WHEREAS, under the provisions of the Act, on November 19, 2018, the City Council of the City adopted its Resolution No. _____ (the "Resolution"), which resolution, among other matters, authorized the issuance of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds the "Bonds") to provide moneys for the refinancing of a portion of the improvements financed by the 2006 CFD and provided that said issuance would be in accordance with the Act and this Agreement, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the City, CFD 2018-1, the persons responsible for the payment of special taxes and the Owners of the Bonds that the City enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds authorized to be issued hereunder and the administration and payment of the Bonds; and

WHEREAS, the City has determined that all things necessary to cause the Bonds, when authenticated by the City for Improvement Area No. 1 and issued as in the Act, the Resolution and this Indenture provided to be legal, valid and binding and special obligations of the City for Improvement Area No. 1 in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the City does hereby covenant and agree, for the benefit of the Owners of the Bonds as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 et seq. of the California Government Code.

“Administrative Expenses” means any or all of the following:

(a) the expenses directly related to the administration of Improvement Area No. 1, including, but not limited to, the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or a designee thereof or both); the costs of collecting the Special Taxes (whether by the County, the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs associated with preparing Special Tax disclosure statements and responding to the public inquiries regarding the Special Taxes; and the costs of the City, Improvement Area No. 1 or any designee thereof related to an appeal of the Special Tax;

(b) the costs of the Trustee (including its legal counsel) in the discharge of the duties of the Trustee pertaining to the Bonds required under this Indenture and any Supplemental Indenture;

(c) any amounts required to be rebated to the federal government; and

(d) all other costs and expenses of the City (including, but not limited to, an allocable share of the salaries of the City staff directly related to the foregoing, a proportionate amount of City general administrative overhead related to the foregoing, and amounts advanced by the City for any administrative purpose of Improvement Area No. 1, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure maintenance of tax exemption, and the costs of prosecuting foreclosure of delinquent Special Taxes, which amounts advanced are subject to reimbursement from other sources, including proceeds of foreclosure) and the Trustee incurred in connection with the discharge of their respective duties hereunder and in any way related to the administration of Improvement Area No. 1 and all actual costs and expenses incurred in connection with the administration of the Bonds, including any costs related to any dispute, litigation, settlement or defense of any matter related to Improvement Area No. 1.

“Administrative Expenses Cap” means, as to Administrative Expenses paid from the levy of Special Taxes for fiscal years 2018-19 and 2019-20, \$15,000 each year; for subsequent fiscal years, there is no cap.

“Administrative Expense Reserve Fund” means the fund by that name established pursuant to Section 3.6 hereof.

“Administrative Expense Reserve Fund Improvement Area 1 Account” means the account by that name established in the Administrative Expense Reserve Fund established pursuant to Section 3.1 hereof.

“Administrative Expense Reserve Fund Other Improvement Areas Account” means the account by that name established in the Administrative Expense Reserve Fund established pursuant to Section 3.1 hereof.

“Administrative Reserve Improvement Area 1 Requirement” means the amount of \$40,000.

“Administrative Reserve Requirement” means the amount of \$200,000.

“Annual Debt Service” means the principal amount of any Outstanding Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds in such Bond Year, if the Bonds are retired as scheduled.

“Authorized Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (the Trustee is entitled to rely upon the investment direction of the City as a determined such investments are legal investments), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand or time deposits (including certificates of deposit) or deposit accounts in federal or state chartered savings and loan associations or in federal or State of California banks (including the Fiscal Agent and its affiliates), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association will be rated in the highest short-term rating category by any Rating Agency or (ii) such demand or time deposits will be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated at the time of purchase in the highest short-term rating category by any Rating Agency, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short-term rating category by any Rating Agency or whose long-term obligations are rated A or better by each such Rating Agency, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by any Rating Agency or (b) fully secured as to the payment of principal and interest by Federal Securities;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of Five Hundred Million Dollars (\$500,000,000), which obligations are rated A or better by any Rating Agency;

(h) money market funds (including money market funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services) which invest in Federal Securities or which are rated in the highest rating category by any Rating Agency;

(i) any investment agreement, repurchase agreement or other investment instrument which represents the general unsecured obligations of a bank, investment banking firm or other financial institution whose long-term obligations are rated at the time of the delivery of the investment agreement, repurchase agreement or other investment instrument A or better by any Rating Agency;

(j) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California that invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended (California Asset Management Program);

(k) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code; and

(l) any other lawful investment for City funds.

"Authorized Representative of the City" means the City Manager, the City Finance Director, City Attorney or any other officer or employee authorized by the City Council of the City or by an Authorized Representative of the City to undertake the action referenced in this Indenture as required to be undertaken by an Authorized Representative of the City.

"Bond Counsel" means Jones Hall, A Professional Law Corporation, and its successors; or any other attorney at law or firm of attorneys selected by the City, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Register” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds shall be recorded.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond is registered.

“Bonds” means the \$ _____ City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds.

“Bond Year” means the twelve-month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the Principal Office of the Trustee is located, are not required or authorized to remain closed.

“Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the City.

“CFD 2018-1” or “CFD” means City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities), including the improvement areas therein, established pursuant to the Act and the Resolution of Formation.

“CFD 2018-2” means City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) established pursuant to the Act and a Resolution of Formation for such district.

“City” means the City of Lathrop.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the first purchaser of the Bonds from the City.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official guidance published, under the Code.

“Delivery Date” means the date on which the Bonds are issued and delivered to the initial purchasers thereof.

“Depository” means DTC or any other Securities Depository acting as Depository pursuant to Section 2.12.

“Finance Director” means the official of the City, or such official’s designee, who acts in the capacity as the chief financial officer of the City, including the controller or other financial officer.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Fair Market Value" means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City, the Authority and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any of the following:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation).
- (b) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next following June 30.

"Gross Taxes" means the proceeds of the Special Taxes received by the City, including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. "Gross Taxes" does not include any penalties collected in connection with delinquent Special Taxes.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the City, who, or each of whom:

- (1) is in fact independent and not under the domination of the City;

- (2) does not have any substantial interest, direct or indirect, in the City; and
- (3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to make annual or other reports to the City.

"Information Services" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in a Certificate of an Authorized Representative delivered to the Trustee.

"Indenture" means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article 6 hereof.

"Improvement Area" means each improvement area of CFD 2018-1 as set forth in the Resolution of Formation, being Improvement Area No. 1, Improvement Area No. 2, Improvement Area No. 3, Improvement Area No. 4 and Improvement Area No. 5.

"Improvement Area No. 1" means Improvement Area No. 1 of CFD 2018-1 established pursuant to the Act and the Resolution of Formation.

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2019; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next preceding such date.

"LLA" means Lathrop Land Acquisition, LLC, a Delaware limited liability company.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Net Taxes" means Gross Taxes minus the amount set aside to pay Administrative Expenses (up to the Administrative Expenses Cap in any year in which the Administrative Expenses Cap is applicable) and the amount needed, if any, to replenish the Administrative Expense Reserve Fund Improvement Area 1 Account to the Administrative Expense Reserve Fund Improvement Area 1 Requirement.

"Nominee" shall mean (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.12 hereof.

"Ordinance" means any ordinance of the City levying the Special Taxes, including but not limited to Ordinance No. _____ adopted on November 19, 2018.

"Original Purchaser" means Lathrop Acquisition, LLC, a Delaware limited liability company or any of its affiliates or subsidiaries.

"Other Improvement Areas" means Improvement Area No. 2, Improvement Area No. 3, Improvement Area No. 4 and Improvement Area No. 5 of CFD 2018-1.

"Outstanding" or "Outstanding Bonds" means all Bonds theretofore issued by the City, except:

(1) Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof;

(2) Bonds for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture; and

(3) Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

"Participants" or "DTC Participants" means those for whom the Depository holds Bonds as securities depository as described in Section 2.12.

"Person" means natural persons, firms, corporations, partnerships, limited liability companies, associations, trusts, public bodies and other entities.

"Prepayments" means any amounts paid by the City to the Trustee and designated by the City as a prepayment of Special Taxes for one or more parcels in Improvement Area No. 1 made in accordance with the Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 attached to the Resolution of Formation.

"Principal Office of the Trustee" means the corporate trust office of the Trustee located in Minneapolis, Minnesota, or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

"Record Date" means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

"Reserve Fund" means the fund by that name established pursuant to Section 3.1 hereof.

"Reserve Requirement" means the amount of \$ _____ **To be inserted**
for each Improvement Area – six months interest based on MADS

"Resolution of Formation" means Resolution No. _____, adopted by the City Council of the City on November 19, 2018, establishing CFD 2018-1 for the purpose of providing for the refinancing of certain public facilities in and for CFD 2018-1.

"Restructuring Agreement" means the Restructuring Agreement, dated as of August 13, 2018 and entered into by and between the City, Saybrook CLSP, LLC, a Delaware limited liability company, LLA, Lathrop Acquisition LLC, a Delaware limited liability company, and UMB, National Association, in its capacity as 2006 Trustee under the 2006 Indenture, and any amendments thereto.

"Saybrook Reimbursement Amount" means the amount of \$40,000.

"Securities Depositories" means The Depository Trust Company, New York, New York; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Certificate of an Authorized Representative delivered to the Trustee.

"Sinking Fund Payment" means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedule set forth in Section 4.1(c) hereof.

"Special Tax Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

"Special Taxes" means the taxes authorized to be levied by the City on property within Improvement Area No. 1 in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the November 19, 2018 election in Improvement Area No. 1.

"Standard & Poor's" means Standard & Poor's Ratings Group, a division of McGraw-Hill, its successors and assigns.

"Supplemental Indenture" means any supplemental indenture amending or supplementing this Indenture.

"Surplus Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

"Term Bonds" means the Bonds subject to mandatory sinking fund redemption.

"Trustee" means UMB, National Association, a national banking association organized and existing under the laws of the United States of America, with a principal corporate trust office in Minneapolis, Minnesota, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

"2006 Indenture" means the Indenture, dated September 1, 2006, between the City and the 2006 Trustee, as such was supplemented and amended subsequent to the initial execution (as so supplemented and amended).

"2006 Trustee " means UMB, National Association, in its capacity as successor trustee under the 2006 Indenture.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of _____ Million Dollars (\$_____) shall be issued for the purpose of implementing certain of the terms of the Restructuring Agreement with respect to the issuance of bonds for Improvement Area No. 1 to refinance a portion of the financing provided by the 2006 CFD.

Section 2.2. Limited Obligation. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the City is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general obligations of the City, but are limited obligations of the City payable solely from certain amounts deposited by the City in the Special Tax Fund (exclusive of the Administrative Expense Account) and the Reserve Fund, as more fully described herein. The City's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) and the Reserve Fund is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the City (except as pertains to the Special Taxes) or the forfeiture of any of its property. The principal of and interest on the Bonds and premium, if any, upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the City's property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) and the Reserve Fund which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the City Council of the City nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the City shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds, or for the performance of any covenants contained herein. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds shall be equally payable from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) and the Reserve Fund, without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on, principal of and premium, if any, on the Bonds upon the redemption thereof, shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) and the Reserve Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund (other than the Administrative Expense Account therein) and the Reserve Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Indenture or

any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds, and none of the Rebate Fund, the Surplus Fund, Administrative Expense Account of the Special Tax Fund or the Administrative Expense Reserve Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California.

Section 2.4. Description of Bonds; Interest Rates. The Bonds shall be issued in certificated form in denominations of \$5,000 or any integral multiple thereof. The Bonds of each issue shall be numbered as desired by the Trustee.

The Bonds shall be designated "CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES) IMPROVEMENT AREA NO. 1 2018 SPECIAL TAX BONDS." The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below, payable on each Interest Payment Date:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u>	<u>Interest Rate</u>
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Interest shall be payable on each Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of that Bond has been paid; provided, however, that if at the maturity date of any Bond funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds shall then cease to bear interest. Interest due on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. Interest on any Bond shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of

authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest shall be payable from the dated date of such Bond; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on that Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond shall be payable from its dated date. Interest on any Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds shall be made by wire transfer or such other method acceptable to the Trustee to the Depository.

In accordance with Sections 53344.1 and 53356.8 of the Act, the Bonds shall be permitted to be tendered for special taxes and the interest and penalties thereon, in the manner determined by the City.

Section 2.6. Form of Bonds. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which forms are hereby approved and adopted as the forms of such Bonds and of the certificate of authentication.

The Bonds shall initially be issued in certificated form. Notwithstanding any provision in this Indenture to the contrary, so long as all of the Bonds are owned by or on behalf of the Original Purchaser, upon the request of the Original Purchaser, the City shall use reasonable efforts to enable the Bonds to convert to book entry form as provided in Section 2.12, with all costs associated therewith payable by the Original Purchaser.

Until definitive Bonds shall be prepared, the City may cause to be executed and delivered in lieu of such definitive Bonds temporary bonds in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the City. Until exchanged for definitive Bonds, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds. If the City issues temporary Bonds, it shall execute and furnish definitive Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

As set forth in a certificate of the Original Purchaser delivered in connection with the issuance of the Bonds, the Original Purchaser is purchasing the Bonds for its own account, without a view to immediate distribution or sale thereof, however the Original Purchaser retains the right at any time to dispose of the Bonds in accordance with the terms hereof. In the event that the Original Purchaser disposes of the Bonds, the Original Purchaser understands that it has the sole responsibility for disclosure to subsequent investors purchasing from the Original Purchaser for all matters relating to the Bonds and, to the extent applicable, for complying with the provisions of any applicable federal and state securities laws and all rules and regulations

promulgated pursuant thereto, and the City has no obligations in that regard, nor shall any disclosure obligations related to the Bonds or the CFD be implied or imposed upon the City without its express written consent.

Section 2.7. Execution and Authentication. The Bonds shall be signed on behalf of the City by the manual or facsimile signature of the Mayor and by the manual or facsimile signature of the City Clerk, or any duly appointed deputy City Clerk, in their capacity as officers of the City. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds which shall upon reasonable prior notice be open to inspection by the City and the Bondowners during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds as herein provided.

The City and the Trustee may treat the Owner of any Bond whose name appears on the Bond Register as the absolute Owner of that Bond for any and all purposes, and the City and the Trustee shall not be affected by any notice to the contrary. The City and the Trustee may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue; however for so long as the Bond is in certificated form, the Owner shall provide at least 15 days' notice so as to permit the Issuer to execute such new Bond prior to authentication by the Trustee. The Trustee shall not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds shall be surrendered for registration of transfer or exchange, the City shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall

not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond shall become mutilated, the City shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the City shall execute and the Trustee shall authenticate and deliver, a new Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds issued hereunder. The Trustee shall not treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds

Section 2.11. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the City for Improvement Area No. 1, and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book-Entry Only System. The Bonds shall not initially be issued in book-entry form or through the facilities of DTC. So long as the Bonds are held solely by or on behalf of the Original Purchaser, the Original Purchaser may request that the Bonds become DTC eligible and converted or reissued to book-entry form, in which case DTC shall act as the Depository for the Bonds and the provisions of this Section 2.12 shall be applicable. In such case, and per DTC requirements one Bond for each maturity of the Bonds shall be executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon execution, authentication, and delivery, the ownership of the DTC eligible Bonds shall be registered in the Bond Register kept by the Trustee for the Bonds in the name of Cede & Co, as nominee of DTC or such Nominee as DTC shall appoint in writing.

The Authorized Representative of the City is hereby authorized to take any and all actions as may be necessary and not inconsistent with this Indenture to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter. The Trustee shall have no responsibility for making the Bonds "DTC eligible" or obtaining CUSIPs for the Bonds. In the event the Bonds are converted to book-entry only, the Trustee shall act only as a FAST Agent for such Bonds.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Trustee shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds

(the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Trustee shall not have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, the Nominee, or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption or mandatory tender, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Trustee may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of prepayment and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to the Owners as shown on the Bond Register, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.9 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new Nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Trustee and the City during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Trustee.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register of the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.9.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.9, the Bonds will be delivered to such Beneficial Owners as soon as practicable.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds and Other Moneys.

(a) Creation of Funds. There is hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The Community Facilities District No. 2018-1 Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account and an Administrative Expense Account);

(2) The Community Facilities District No. 2018-1 Improvement Area No. 1 Reserve Fund (the "Reserve Fund");

(3) The Community Facilities District No. 2018-1 Administrative Expense Reserve Fund (the "Administrative Expense Reserve Fund") (in which there shall be established and created an Administrative Expense Reserve Fund Improvement Area 1 Account and an Other Improvement Areas Account or each Other Improvement Area in the CFD);

(4) The Community Facilities District No. 2018-1 Surplus Fund (the "Surplus Fund").

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee and the Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article 3 and shall disburse investment earnings thereon in accordance with the provisions of Section 3.9 hereof.

(b) Application of Funds Received on Closing Date. On or before the Closing Date the City shall cause to be deposited with the Trustee the amount of \$_____, and the Trustee shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

- (i) [Deposit in the Reserve Fund \$_____, equaling the initial deposit towards the Reserve Requirement;]
- (ii) [Deposit in the Administrative Expense Account of the Special Tax Fund the amount of \$_____, equaling the first year Administrative Expenses amount];
- (iii) Deposit in the Administrative Expense Reserve Fund \$200,000, with \$40,000 of such amount deposited into the Administrative Expense Reserve Fund Improvement Area 1 Account and \$160,000 of such amount deposited into the Other Improvement Areas Account subaccounts created under Section 3.6(a) for Improvement Areas 2-5 of the CFD;

- (iv) Deposit in the Interest Account of the Special Tax Fund \$_____.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) Except for the portion of any Prepayment to be deposited to the Redemption Account as specified in a Certificate of an Authorized Representative of the City, the Trustee shall, on each date on which the Special Taxes are received from the City (pursuant to Section 5.2(a)), deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections of this Article III, in the following order of priority, to:

- (1) the Administrative Expense Account of the Special Tax Fund in an amount not to exceed the Administrative Expenses Cap, if applicable for that year;
- (2) the Interest Account of the Special Tax Fund;
- (3) the Principal Account of the Special Tax Fund;
- (4) the Redemption Account of the Special Tax Fund;
- (5) the Administrative Expense Reserve Fund Improvement Area 1 Account, to the extent amounts are needed therein to restore the balance therein to the Administrative Reserve Improvement Area 1 Requirement;
- (6) the Administrative Expense Reserve Fund Improvement Area 1 Account in an amount not to exceed the Saybrook Reimbursement Amount not previously funded;
- (7) the Reserve Fund, in the amount needed, if any, to restore the Reserve Fund to the Reserve Requirement; and
- (8) the Surplus Fund.

Section 3.3. Administrative Expense Account of the Special Tax Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund on or before each September 1 and March 1 of each year an amount equal to one-half of the annual Administrative Expenses amount, which annual amount shall be specified by the City to the Trustee and which amount shall not exceed the Administrative Expenses Cap in any year the Administrative Expenses Cap is applicable.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds until maturity, other than principal due upon redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of and interest on the Bonds will be made when due, after making the transfer required by Section 3.3, at least five Business Days prior to each March 1 and September 1, the Trustee shall transfer from the Special Tax Fund, first to the Interest Account and then to the Principal

Account, the amount required to pay interest on and principal of the Bonds on the immediately succeeding March 1 or September 1; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds or otherwise, the transfer from the Special Tax Fund need not be made to the extent moneys are otherwise available.

Section 3.5. Redemption Account of the Special Tax Fund.

(a) With respect to each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund as required by Sections 3.3 and 3.4 hereof, the Trustee shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account five Business Days prior to each September 1 equal to the Sinking Fund Payment due on any Outstanding Bonds on such September 1. Moneys so deposited in the Redemption Account shall be used and applied by the Trustee to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedule set forth in Section 4.1(c) hereof.

(b) After making the deposits to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4 above and to the Redemption Account for Sinking Fund Payments then due pursuant to subparagraph (a) of this Section, and in accordance with the City's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and premiums, if any, payable on the Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund (other than the Administrative Expense Account therein) may be applied to optionally redeem Bonds only if immediately following such redemption the amount in the Reserve Fund will equal the Reserve Requirement.

(c) Prepayments of Special Taxes deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(b) hereof for the use of such Prepayments to the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed with such Prepayments.

(d) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and shall be applied on or after the redemption date to the payment of principal of, premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds and in the case of an optional redemption or an extraordinary redemption from Prepayments to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account, other than Prepayments, may be used to purchase Outstanding Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds may be made by the City at public or private sale as and when and at such prices as the City may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest and premium, if any. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Administrative Expense Reserve Fund Accounts.

(a) Establishment of Accounts and Deposit Amounts. Moneys in the Administrative Expense Reserve Fund Improvement Area 1 Account and Other Improvement Areas Account shall be held in trust by the Trustee for the benefit of the City.

(b) (i) Deposits to the Improvement Area 1 Account. The Improvement Area 1 Account shall initially be funded in the amount of the Administrative Reserve Improvement Area 1 Requirement as set forth in Section 3.1(b)(iii); moneys in the Other Improvement Areas Account shall initially be funded into a subaccount to be created for each of Improvement Areas 2-5 of the CFD, in the amount of \$40,000 per subaccount as set forth in Section 3.1(b)(iii).

Pursuant to the Improvement Area No. 1 Rate and Method, the City shall levy the Maximum Tax each year until the Saybrook Reimbursement Amount for Improvement Area No. 1 has been paid in full and shall transfer to the Trustee all such amounts for deposit into the Special Tax Fund in accordance with this Article III.

After making the deposits required to be made in the foregoing Section 3.4(a) (1)-(4) of this Article III, as soon as practicable after each September 1, and in any event prior to each September 15, the Trustee shall transfer from the Special Tax Fund to the Improvement Area 1 Account in the following order of priority, (i) first, the amount, if any, needed to cause the balance in the Improvement Area 1 Account to equal the Administrative Reserve Improvement Area 1 Requirement, and (ii) second, as follows: (a) on or before March 1, 2019 and September 1, 2019, the amount of \$13,750, and (b) on or before March 1, 2020, September 1, 2020, \$6,250, [[[for FOR IA 5—it will be \$8750 for each of March, 2019, September 2019, March 2020 and September 2020 and then \$2500 for March 1 and September 1, 2021]]].

(ii) Deposits to the Other Improvement Areas Account. Deposits to the Other Improvement Areas Account shall be as directed by the City in a Certificate of an Authorized Representative of the City delivered to the Trustee, as needed to maintain the Administrative Expense Reserve Fund in the amount of the Administrative Expense Reserve Fund Requirement for each subaccount, all in accordance with the rate and method of apportionment applicable to and bond indentures governing bonds of the Other Improvement Areas.

(c) Use of Fund. Moneys in the Administrative Expense Reserve Fund shall be withdrawn by the Trustee as directed by the City in a Certificate of an Authorized Representative of the City delivered to the Trustee, which withdrawal shall be for the purpose of paying the following in the event that amounts levied for and on deposit in the Administrative Expense Account are otherwise insufficient: (i) the fees and expenses of any attorneys or consultants employed by the City in connection with litigation involving CFD 2018-1 (including all the Improvement Areas) and/or CFD 2018-2, including, without limitation, foreclosure litigation, (ii) the costs of publication of notices to owners of the Bonds and/or bonds issued for CFD 2018-2, (iii) any and all actual costs and expenses incurred by the City in connection with a default arising under the Bonds or bonds issued for CFD 2018-2, and (iv) any litigation arising from or relating to the sale of Bonds by the first Bondowner or an affiliate of the first Bondowner to any unaffiliated third-party. The Certificate of an Authorized Representative of the City delivered to the Trustee directing the draw on the Administrative Expense Reserve Fund shall specify the amount to be drawn from the Improvement Area 1 Account and from the Other Improvement Areas Account and the Trustee shall have no obligation to verify the use of any such amounts drawn by the City. Notwithstanding the foregoing, if on any September 15th or March 15th the amount in the Improvement Area 1 Account exceeds the Administrative

Reserve Improvement Area 1 Requirement, such excess amount shall be withdrawn by the Trustee (unless the Trustee has been directed otherwise by the City) and paid to LLA as a reimbursement of funds advanced to the Improvement Area 1 Account pursuant to the Restructuring Agreement, subject to the following limitation: this disbursement shall terminate when the cumulative reimbursement paid totals the Saybrook Reimbursement Amount.

(d) (i) Replenishment of Draws on the Improvement Area 1 Account. If at any time the amount in the Improvement Area 1 Account is less than the Administrative Reserve Improvement Area 1 Requirement, City shall cause the Special Tax to be levied from time to time in the amount needed to cause the balance in the Improvement Area 1 Account to equal the Administrative Reserve Improvement Area 1 Requirement.

(ii) Replenishment of Draws on the Other Improvement Areas Account. The City shall cause the Special Tax to be levied from time to time in the Other Improvement Areas in an amount determined by the City appropriate to maintain the balance in the Other Improvement Areas Account in an amount equal to the Other Improvement Areas Administrative Expense Reserve Requirement and in accordance with the rate and method of apportionment applicable to and any bond indentures governing bonds of such Other Improvement Areas.

(e) Closing of Fund. In the fiscal year prior to year of final maturity of the Bonds, upon direction by the City to the Trustee all moneys in the Improvement Area 1 Account shall be transferred to the Special Tax Fund and all moneys in the Other Improvement Areas Account shall be transferred as directed by the City and in accordance with the bond indentures governing bonds of such Other Improvement Areas.

Section 3.7. Reserve Fund.

(a) Establishment of Fund. After making the deposits required to be made in the foregoing Section 3.4(a) (1)-(6) of this Article III, the Trustee shall transfer from the Special Tax Fund to the Reserve Fund the remaining amount in the Special Tax Fund, but only to the extent such deposit does not cause the balance in the Reserve Fund to exceed the Reserve Requirement.

Moneys in the Reserve Fund shall be held in trust by the Trustee for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

(b) Use of Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Special Tax Fund in the event of any deficiency within five days prior to any Interest Payment Date of the amount required for payment of the principal of, and interest on, the Bonds on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Special Tax Fund due to a deficiency in the Special Tax Fund, the Trustee shall provide written notice thereof to the Finance Director.

Notwithstanding the foregoing use of the Reserve Fund for payment of the Bonds, in the event moneys in the Administrative Expense Reserve Fund are insufficient for the costs incurred or to be incurred to carry out the purposes for which such fund was established, the City may, after receiving written consent of holders of at least 25% of the principal amount of Bonds then outstanding, direct the Trustee to cause the transfer of all or any portion of the

amount in the Reserve Fund to the Administrative Expense Reserve Fund, whereupon such transferred moneys shall be used in accordance with the authorized uses for such fund.

(c) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Trustee shall provide written notice to the Finance Director of the amount of the excess and, following any transfer required pursuant to Section 3.7(d) below, shall transfer an amount equal to the excess from the Reserve Fund to the Special Tax Fund to be used for the payment of the principal of and interest on the Bonds in accordance with Section 3.4. In the event of a prepayment of Special Taxes, an Authorized Representative of the City or person or entity administering the CFD shall provide notice to the Trustee of the amount, if any, which shall be withdrawn from the Reserve Fund and transferred to the Redemption Account and applied by the Trustee to the corresponding redemption of Bonds.

(d) Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund upon direction of the City for purposes of making payment to the federal government to comply with Section 5.2(f).

(e) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption, and premium, if any, and after making any transfer required under Section 3.7(d) above and upon receipt of a Certificate of an Authorized Representative directing it to do so, the Trustee shall transfer the amount in the Reserve Fund to the Special Tax Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with Section 4.1 as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Special Tax Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City, after payment of any amounts due the Trustee hereunder, to be used for any lawful purpose of Improvement Area No. 1.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 3.7(e) until after the calculation, pursuant to Section 5.2(f)(iii), of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 3.7(d) for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Trustee.

(f) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 3.9. Interest earnings and profits resulting from such investment and deposit shall be retained in the Reserve Fund to be used and disbursed as provided in this Section 3.6.

Section 3.8. Surplus Fund. After making the deposits required to be made in the foregoing Sections of this Article III, as soon as practicable after each September 1, and in any event prior to each September 15, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund.

Moneys deposited in the Surplus Fund will be transferred by the Trustee annually on or before September 15th of each year, in the following order as follows:

(i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds when next due in the event the Trustee has been notified that moneys to be available in the Special Tax Fund are reasonably expected by the City to be insufficient therefor,

(ii) to the Reserve Fund in order to replenish the Reserve Fund to the Reserve Requirement,

(iii) in the event the Trustee has been notified that moneys to be available in the Administrative Expense Account of the Special Tax Fund and/or the Administrative Expense Reserve Fund are reasonably expected by the City to be insufficient to pay expected Administrative Expenses, to the Administrative Expense Account of the Special Tax Fund in an amount as directed by the City,

(iv) to the Interest Account of the Special Tax Fund to pay the interest on the Bonds when next due.

Section 3.9. Investments. Moneys held in any of the funds, account and subaccounts under this Indenture shall be invested at the written direction of the City in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such funds, accounts and subaccounts. Any loss resulting from such Authorized Investments shall be credited or charged to the fund, account or subaccount from which such investment was made, and any investment earnings on amounts deposited in the Special Tax Fund and the Surplus Fund, and each account therein, shall be deposited in those respective funds and accounts.

(a) Moneys in the Interest Account, the Principal Account, Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or in the case of an investment agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds as the same become due. Moneys in the Reserve Fund and Administrative Expense Reserve Fund shall be invested only in Authorized Investments which will by their terms be available for withdrawal without penalty in a timely manner to facilitate the uses for which the fund is established.

(b) The Trustee shall not be responsible for investing any funds except in accordance with written instructions from the City.

The Trustee shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such Funds and Accounts or from such Funds and Accounts. For the purpose of determining at any given time the balance in any such Funds and Accounts, any such investments constituting a part of such Funds and Accounts shall be valued at their cost. In making any valuations hereunder, the Trustee may utilize such computerized securities pricing services as may be available to it, including, without limitation, those available through its regular accounting system, and conclusively rely thereon. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture.

The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The City acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 3.10. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code), shall be acquired, disposed of, and valued (by the City, as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the City at their present value (within the meaning of section 148 of the Code).

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1. Redemption of Bonds.

(a) Optional Redemption.

The Bonds maturing on or after September 1, 2028 are subject to optional redemption prior to maturity as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on or after September 1, 2027, from any available moneys of the City, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium.

In the event the City elects to redeem Bonds as provided above, the City shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 45 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

The provisions of Section 3.5(d) shall govern the City's right to use moneys in the Redemption Account to purchase Bonds rather than redeem Bonds.

(b) Extraordinary Redemption from Prepayments.

The Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.5 at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 1, _____ through March 1, _____	103%
September 1, _____ and March 1, _____	102
September 1, _____ and March 1, _____	101
September 1, _____ and thereafter	100

In the event of any Prepayment by the City, the City shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 45 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

The provisions of Section 3.5(d) shall govern the City's right to use moneys in the Redemption Account to purchase Bonds rather than redeem Bonds.

(c) Mandatory Sinking Fund Redemption. The Term Bonds maturing September 1, _____ and September 1, _____, are subject to mandatory sinking payment redemption in part on September 1, _____ and September 1, _____, respectively and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount

thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term Bonds Maturing _____

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

Term Bonds Maturing _____

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in a Certificate of an Authorized Representative, in order to maintain substantially level debt service, as a result of any prior partial redemption of the Bonds pursuant to Section 4.1(a) or (b) above.

The provisions of Section 3.5(d) shall govern the City's right to use moneys in the Redemption Account to purchase Bonds rather than redeem Bonds.

Section 4.2. Selection of Bonds for Redemption. If fewer than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Trustee shall treat such Bonds, as applicable, as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by \$5,000 and Bonds to be redeemed shall be allocated on a pro rata basis among maturities. The Trustee shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption. Notwithstanding the foregoing, in the event the Bonds are book entry only, such redemption procedure shall be subject to DTC's operational procedures.

Section 4.3. Notice of Redemption. The Trustee shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not

affect the validity of the proceedings for the redemption of such Bonds. The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

Any such optional redemption notice may specify that redemption on the specified date will be conditional and subject to receipt by the City of moneys sufficient to cause such optional redemption and may be rescinded in the event insufficient moneys are available, and neither the City nor the Trustee shall have any liability to the Owners or any other party as a result of its failure to redeem the Bonds as a result of insufficient moneys.

Upon the payment of the redemption price of any Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent applicable and practicable bear the CUSIP number identifying, if applicable, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.4. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, at the request of the Bondowner the City shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the City, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) The Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture, anything in this Indenture or in the Bonds to the contrary notwithstanding;

(b) Upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds shall be paid to the Owners thereof;

(c) As of the redemption date the Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds, or portions thereof, shall cease to bear further interest; and

(d) As of the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The City shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds issued hereunder are Outstanding and unpaid, the City makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the City or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the City to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund, Reserve Fund, Administrative Expense Account and Administrative Expenses Reserve Fund.

(a) Punctual Payment; Against Encumbrances. The City covenants that it will receive all Special Taxes in trust for the Owners and will instruct the Finance Director to deposit all Special Taxes with the Trustee upon receipt by the City, and the City shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the City.

The City covenants that it will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on every Bond issued hereunder on the date, at the place and in the manner set forth in the Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds issued hereunder.

The City will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds, other than bonds issued to refund all or a portion of the Bonds. Nothing herein shall prevent the City from issuing or incurring indebtedness which is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds.

(b) Levy of Special Tax. The City shall comply with all requirements of the Act so as to assure the timely collection of Gross Taxes, including without limitation, the enforcement of delinquent Special Taxes.

(i) Processing. On or within five (5) Business Days of each June 1, the Trustee shall provide the Finance Director with a notice stating the amount then on deposit in the Special Tax Fund and the other funds and accounts held by the Trustee under the Indenture, whether or not amounts need to be deposited into the Reserve Fund to increase the amounts on deposit therein to the Reserve Requirement, and informing the City that the Special Taxes need to be levied under the Ordinance as

necessary to provide for the Special Tax Requirement (as defined in clause (iii) below). The receipt of or failure to receive such notice by the Finance Director shall in no way affect the obligations of the Finance Director under the following two paragraphs and the Trustee shall not be liable for failure to provide such notice to the Finance Director. Upon receipt of such notice, the Finance Director shall communicate with the County Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits or combinations during the preceding and then current year.

(ii) *Levy.* The Finance Director shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within Improvement Area No. 1 for inclusion on the next real property tax roll; provided, that nothing herein shall prevent the Finance Director from hand-billing any parcels in any Fiscal Year. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll; provided, that nothing herein shall prevent the Finance Director from hand-billing any parcels at any time for any Fiscal Year.

(iii) *Computation.* The Finance Director shall cause to be fixed and levied the amount of Special Taxes within Improvement Area No. 1 in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay the "Special Tax Requirement" as defined in the Rate and Method of Apportionment of Special Taxes then in effect for Improvement Area No. 1, taking into account the balances in such funds and in the Special Tax Fund. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation.

(iv) *Collection.* The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

(c) Commence Foreclosure Proceedings. Under the Act, the Finance Director hereby, with and for the benefit of the Owners of the Bonds, covenants that it will annually on or before September 1 of each year review the public records of the County of San Joaquin relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year. The Finance Director shall notify the City Attorney of any delinquency on any taxable parcel in the CFD of which the Finance Director is aware, and the City Attorney or a designee shall, not later than October 1, (i) notify the owner of the parcel(s) which are delinquent that proceedings for foreclosure of the parcel(s) shall commence if the delinquency is not paid by December 1, and (ii) if the One-Time Special Tax A described in the Rate and Method of Apportionment for CFD 2018-2 has not previously been paid for any delinquent parcel, notify the owner of the parcel(s) which are delinquent that if such delinquent amount for CFD 2018-1 is not paid by December 1, the levy of the One-Time Special Tax B described in the Rate and Method of Apportionment for CFD 2018-2 with respect such parcel(s) is deemed to be levied as of such December 1 in such amounts determined in accordance with the Rate and Method of Apportionments for CFD 2018-2.

On or about December 15, if the delinquent Special Taxes for Improvement Area No. 1 and, if applicable, the then due One-Time Special Tax B described in the Rate and Method of Apportionment for CFD 2018-2 are not paid, the City Attorney shall commence, or cause to be commenced, collection actions preparatory to the filing of a complaint for foreclosure, and, not later than four months thereafter, cause to be commenced court proceedings for foreclosure.

The City Attorney is hereby authorized to employ special counsel to conduct any such foreclosure proceedings, the cost of which shall be an expense of Improvement Area No. 1 and/or CFD 2018-2 in appropriate proportions as determined by the City Attorney.

(d) Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund (other than the Administrative Expense Account), or which might impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the City to make any such payments so long as the City in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The City will keep proper books of records and accounts of CFD 2018-1 and each Improvement Area therein, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(f) Tax Covenants. The City covenants as follows:

(i) *Private Activity Bond Limitation.* The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(ii) *Federal Guarantee Prohibition.* The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(iii) *Rebate Requirement.* The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(iv) *No Arbitrage.* The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(v) *Maintenance of Tax-Exemption.* The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of

the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

(g) Continuing Disclosure. The Original Purchaser of the Bonds or an affiliate of such owner is the owner of all the land in the CFD as of the date of issuance of the Bonds. The Original Purchaser and the City have determined and agreed that no Official Statement or Private Placement Memorandum will be prepared in connection with the purchase by the Original Purchaser. The City shall not have any obligation to provide any disclosure to a subsequent purchaser of the Bonds or to provide any continuing disclosure such as would be required by Securities and Exchange Commission Rule 15c2-12 in connection with underwritten bonds, or to provide any other form of disclosure as customarily provided or otherwise required to be provided to bondholders pursuant to any law or regulation applicable to bonds sold by an underwriter, nor shall the City be required to evaluate or comment on any form of disclosure provided to any subsequent purchaser of the Bonds from any owner of Bonds.

(h) State Reporting Requirements. The following requirements shall apply to the Bonds:

(i) *Annual Reporting.* Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Finance Director shall cause the following information to be supplied to CDIAC: (i) the principal amount of the Bonds Outstanding; (ii) the balance in the Reserve Fund; (iii) the amount of any capitalized interest funded from the proceeds of the Bonds and the amount thereof used for payment of the Bonds; (iv) the number of parcels in Improvement Area No. 1 which are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel; (v) that no new improvement fund moneys were funded from the Bonds; and (vi) the assessed value of all parcels in Improvement Area No. 1 subject to the levy of the Special Taxes as shown in most recent equalized roll. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(ii) *Other Reporting.* If at any time the Trustee fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Trustee shall notify the Finance Director of such failure or withdrawal in writing. The Finance Director shall notify CDIAC and the Original Purchaser of the Bonds of such failure or withdrawal within 10 days of such failure or withdrawal.

(iii) *Amendment.* The reporting requirements of this clause (h) shall be amended from time to time, without action by the City or the Trustee, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act. The Finance Director shall provide the Trustee with a copy of any such amendment.

(iv) *No Liability.* None of the City and its officers, agents and employees, the Finance Director or the Trustee shall be liable for any inadvertent error in reporting the information required by this clause (h).

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1. Supplemental Indentures or Orders Not Requiring Bondowner Consent. The City may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the City contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond payments;

(c) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds then Outstanding; or

(d) to modify, alter or amend the rate and method of apportionment of the Special Taxes in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on property within Improvement Area No. 1 to an amount which is less than 110% of the principal and interest due in each corresponding future Bond Year with respect to the Bonds Outstanding as of the date of such amendment; or

(e) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners; or

(f) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 6.2. Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding shall have the right to consent to and approve the adoption by the City of such Supplemental Indentures as shall be deemed necessary or desirable by the City for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond without the consent of the Owner of Bond(s) which may be adversely impacted, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon without the consent of the Owner of Bond(s) which may be adversely impacted, (c) a preference or priority of any Bond over any other Bond without the consent of the Owner of such Bond(s) agreeing to a lower or reduced preference of priority, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds then Outstanding.

If at any time the City shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the City shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the City, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the City substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the City, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplemental Indenture, Bonds which are owned by the City or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the City, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture in accordance with Section 6.1 or 6.2 hereof, and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds in instances where such consent is required pursuant to the provisions of this section and receipt by the Trustee of an opinion of counsel that such amendments are permitted hereby this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the City and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Outstanding Bond at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond at such effective date such new Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds, upon surrender of such Outstanding Bonds.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. UMB, National Association, shall be the Trustee for the Bonds unless and until another Trustee is appointed by the City hereunder. The City may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee hereby accepts the trusts imposed upon it hereby, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions. The Trustee, prior to the occurrence of an event of default and after curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth herein, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an event of default has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Bondowners, to select Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of the Bonds and premium, if any, when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds all as provided in this Indenture, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The City shall from time to time, subject to any agreement between the City and the Trustee then in force, pay to the Trustee, but only from funds of the CFD and not from any other source, compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants and/or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees and expenses of its attorneys, not arising from its own gross negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. No provision in this Indenture will require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder unless indemnity reasonably satisfactory to it against such liability or risk is provided to it. The Trustee will not be liable for any action taken or omitted to be taken by it in accordance with the direction of a majority (or any lesser amount that may direct the Trustee in accordance with the provisions of this Indenture) of the Owners of the principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The Trustee is granted a first priority lien on the Administrative Expense Account of the Special Tax Fund held under this Indenture for payment of obligations of the CFD to the Trustee under this paragraph. The

foregoing obligation of the City to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bonds.

Section 7.2. Removal of Trustee. The City may at any time at its sole discretion or shall, upon the direction from the Owners of a majority of the Outstanding Bonds, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowners of the successor Trustee's identity and address.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign by giving written notice to the City and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the Bond Register maintained by the Trustee. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds shall be taken as statements, promises, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture, the Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, facsimile transmission, electronic mail, report, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Bond Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default until an officer at the Principal Office of the Trustee responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Office of the Trustee.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to CFD 2018-1, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

The Trustee shall not be responsible for the recording or re-recording, filing or re-filing of this Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the City of this Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof.

The Trustee shall not be accountable for the use or application by the City of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the

Trustee in accordance with the provisions of this Indenture. The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

Before taking any action under this Indenture relating to an event of default or in connection with its duties under this Indenture other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

Section 7.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an "event of default":

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; or

(c) Except as described in (a) or (b), default shall be made by the City in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds, and such default shall have continued for a period of 30 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate principal amount of the Outstanding Bonds.

The Trustee agrees to give notice to the Owners immediately upon the occurrence of an event of default under (a) or (b) above and within 30 days of the Trustee's knowledge of an event of default under (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an event of default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) By mandamus or other suit or proceeding at law or in equity to enforce the Trustee's rights against the City and any of the members, officers and employees of the City, and to compel the City or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) By a suit in equity to require the City and its members, officers and employees to account as the trustee of an express trust.

If an event of default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount Outstanding Bonds if the Trustee and is indemnified to its satisfaction as set forth in Section 7.4 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article 8, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds; *provided, however*, that the Trustee shall have the right to decline to comply with any such request if the Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Trustee in good faith shall determine that such action would be unjustly prejudicial to the owners of Bonds not

parties to such request. Nothing herein shall require the Trustee to expend its own funds in the exercise of remedies.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture relating to the Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such event of default and in carrying out the provisions of this Article 8, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing,

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing, and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an event of default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an event of default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive

respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article 8 or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Net Taxes and other moneys herein pledged for such payment. A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article 8 may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of twenty-five percent (25%) in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of, premium, if any, and interest on such Bond as herein provided or to institute suit for the enforcement of any

such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE; NO ADDITIONAL INDEBTEDNESS

Section 9.1. Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the City to the Owner of such Bond under this Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Trustee shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, at or before maturity, money which is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the City, Federal Securities, in such amount as will be sufficient, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the City, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the City under this Indenture and any Supplemental Indenture with respect to such Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Trustee not fewer than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under subsection (c) above, there shall be provided to the City a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the City, shall release the rights of the Owners of such Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the City all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, the Trustee shall pay over or deliver to the City any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Trustee shall, at the written direction of the City, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the City, stating that the defeasance has occurred.

Defeasance shall be accomplished only with an irrevocable deposit in escrow of cash or certain investments referred to in this section. Further substitutions of securities in the escrow are not permitted. The deposit in the escrow must be sufficient, without reinvestment, to pay all principal and interest as scheduled on the Bonds, and premium, if any, to and including the date of redemption. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

Section 9.2. No Additional Indebtedness Except Refunding Bonds. The City shall not issue bonds or additional debt payable from the Net Taxes and secured by a lien and charge upon the accounts and funds pledged to the owners of the Outstanding Bonds equal to the lien and charge securing the Outstanding Bonds, except bonds or other obligations may be issued on a parity with the Bonds to refund all or any portion of the Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds. All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the City as authorized herein or otherwise received by the City or the CFD via a tender of Bonds in satisfaction of the payment of Special Taxes as permitted by the Act and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds, as provided by law, and, upon request of the City, furnish to the City a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the City nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the City to such proof, it being intended that the Trustee or the City may accept any other evidence of the matters herein stated which the Trustee or the City may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee or the City in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee or the Trustee in trust for the payment and discharge of any of the Outstanding Bonds which remain unclaimed for two years after the date when such Outstanding Bonds have become due and payable, if such money was held by the Trustee or the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Outstanding Bonds become due and payable, shall be repaid by the Trustee to the City, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the

Owners shall look only to the City for the payment of such Outstanding Bonds; provided, however, that, before being required to make any such payment to the City, the Trustee at the written request of the City or the Trustee shall, at the expense of the City, cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds at their addresses as they appear on the Bond Register of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be fewer than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

Section 10.4. Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the City and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the City, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the City from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the City or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 10.7. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the City with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Finance Director of the City of Lathrop, 390 Towne Centre Drive, Lathrop, California 95330, and all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to the Trustee, at [_____].

IN WITNESS WHEREOF, THE CITY OF LATHROP, for and on behalf of its Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1, has caused this Bond Indenture to be signed by an authorized officer and its City Clerk, and UMB, NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Bond Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

CITY OF LATHROP, for and on behalf of its
Community Facilities District No. 2018-1,
(Central Lathrop Specific Plan Facilities)
Improvement Area No. 1

By: _____
City Manager

ATTEST:

City Clerk

UMB, NATIONAL ASSOCIATION, as
Trustee

By: _____
Its: Authorized Officer

APPROVED AS TO FORM:

David T. Fama, Bond Counsel

EXHIBIT A

FORM OF SPECIAL TAX BOND

R-__

\$_____

UNITED STATES OF AMERICA
 STATE OF CALIFORNIA
 CITY OF LATHROP
 COMMUNITY FACILITIES DISTRICT NO. 2018-1
 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
 IMPROVEMENT AREA NO. 1 2018 SPECIAL TAX BOND

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	SEPTEMBER 1, _____		

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THE CITY OF LATHROP (the "City"), for and on behalf of City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 ("Improvement Area No. 1"), FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) the date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1 and September 1 (each an "Interest Payment Date"), commencing March 1, 2019, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of this Bond and premium, if any, is payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Bond Indenture), initially UMB, National Association (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the

Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Registered Owner's address as it appears on the Bond Register maintained by the Trustee.

This Bond is one of a duly authorized issue of "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 2018 Special Tax Bonds" (the "Bonds") issued in the aggregate principal amount of _____ Million Dollars (\$ _____) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, et seq., of the California Government Code (the "Act") for the purpose of refinancing outstanding special tax bonds of the City. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City acting in its capacity as the legislative body of Improvement Area No. 1 (the "Legislative Body") on November 19, 2018 and a Bond Indenture executed in connection therewith (the "Indenture"), and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the Net Taxes, which means the portion of the annual special taxes authorized under the Act to be levied and collected within Improvement Area No. 1 and received by the City (referred to as the Gross Taxes), minus amounts set aside to pay Administrative Expenses, and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The City has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds maturing on or after September 1, 2028 are subject to optional redemption prior to maturity as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on or after September 1, 2027, from any available moneys of the City, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium.

In the event the City elects to redeem Bonds as provided above, the City shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 30 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

The Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 1, _____ through March 1, _____	103%
September 1, _____ and March 1, _____	102
September 1, _____ and March 1, _____	101
September 1, _____ and thereafter	100

The Term Bonds maturing September 1, _____ and September 1, _____, are subject to mandatory sinking payment redemption in part on September 1, _____ and September 1, _____, respectively and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term Bonds Maturing _____

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

Term Bonds Maturing _____

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in order to maintain substantially level debt service, as a result of any prior partial redemption of the Bonds.

In lieu of applying amounts in the Redemption Account to redeem Bonds, an Authorized Representative of the City may instruct the Trustee to apply such amounts to purchase Bonds as set forth in the Indenture.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof not fewer than 30 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the Bond Register. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date; provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered

owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the City and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the City and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OR Improvement Area No. 1 FOR WHICH THE CITY OR Improvement Area No. 1 IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

The original sale of this Bond was pursuant to a private placement and no Official Statement or Private Placement Memorandum has been prepared in connection with this Bond. The City has no obligation to provide any disclosure to a subsequent purchaser of this Bond or to provide any continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 in connection with underwritten bonds, or to provide any other form of disclosure as customarily provided or otherwise required to be provided to bondholders pursuant to any law or regulation, nor shall the City be required to evaluate or comment on any form of disclosure provided by others to any subsequent purchaser of this Bond.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the

City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the City of Lathrop, for and on behalf of its City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Improvement Area No. 1 has caused this Bond to be dated as of _____, 2018, to be signed on behalf of the City by the Finance Director by his facsimile signature and attested by the facsimile signature of the City Clerk.

Mayor

ATTEST:

City Clerk

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: _____, 2018

UMB, NATIONAL ASSOCIATION, as
Trustee

By: _____
Its: Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by
an eligible guarantor institution.

NOTE: The signatures(s) on this Assignment
must correspond with the name(s) as
written on the face of the within Bond
in every particular without alteration
or enlargement or any change
whatsoever.

**City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

COMMUNITY FACILITIES DISTRICT REPORT

On August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intent to Establish a Community Facilities District and Five Improvement Areas Therein and Levy a Special Tax" (Resolution No. 18-4438, the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas"). In the Resolution of Intention, the Council expressly ordered the preparation of a written Community Facilities District Report (the "Report") in accordance with the Act.

The Resolution of Intention ordering the Report directs that the Report generally contain the following:

1. A brief description of the Facilities by type which will be required to adequately meet the needs of the CFD; and
2. An estimate of the fair and reasonable cost of the Facilities.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Council.

DESCRIPTION OF FACILITIES. The Mello-Roos Community Facilities Act of 1982 (the "Act") authorizes the creation of a Community Facilities District to finance public facilities, within or of benefit to the land in the district and/or to pay a special tax obligation and thereby provide redemption of indebtedness secured by such special tax. The CFD is proposed to be formed to pay the special tax obligation of the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") and thereby provide redemption of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds").

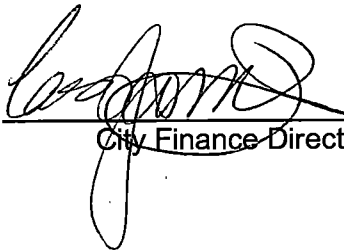
The facilities authorized for the 2006 CFD and related costs that were financed in whole or in part pursuant to the proceedings for the formation of the 2006 CFD included roadways and related improvements, wastewater system facilities and related improvements, potable water system facilities and related improvements, drainage system facilities and related improvements, recycled water system facilities and related improvements, park and open space facilities, habitat mitigation improvements and other public facilities necessary to meet

development requirements. The facilities authorized for the 2006 CFD which were financed by the 2006 Bonds have been completed.

In addition to the above purposes, the CFD may pay or provide financing for all administrative costs as allowed by the Act, including but not limited to costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, all "Administrative Expenses" as set forth in the Rate and Method of Apportionment of Special Tax for each Improvement Area and all costs otherwise incurred to carry out the authorized purposes of the CFD.

COST ESTIMATE. The cost estimate for the Facilities attributable to each Improvement Area are as follows: \$13,630,000 for Improvement Area 1, \$8,945,000 for Improvement Area 2, \$16,625,000 for Improvement Area 3, \$6,565,000 for Improvement Area 4, and \$4,970,000 for Improvement Area 5.

Dated as of November 19, 2018.

By: 

City Finance Director

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO FORM A
COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX TO REFINANCE THE
COST OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH DISTRICT**

**City of Lathrop
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

WHEREAS, on August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intent to Establish a Community Facilities District and Levy a Special Tax" (Resolution No. 18-4440, the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"); and

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the facilities to be provided (the "Facilities" as set forth in the list attached hereto as Exhibit A), the cost of providing such facilities, and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on bonds proposed to be issued for the CFD is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on this date, the Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be financed thereby and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein, and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to the Council on said matters before it, including a report caused to be prepared by a designated official of the City (the "Report") as to the facilities to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and the Council at the conclusion of said hearing is fully advised in the premises;

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed facilities to be provided therein, as set forth in the formula in Exhibits B hereto, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within any of the CFD and not exempt from the special tax; and

NOW THEREFORE BE IT RESOLVED as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.
3. **Prior Proceedings Valid.** All prior proceedings taken by the Council in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
4. **Name of CFD.** The community facilities district designated "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities)" of the City is hereby established pursuant to the Act.
5. **Boundary of CFD.** The boundaries of the CFD, are as set forth in the map of the CFD heretofore recorded in the San Joaquin County Recorder's Office October 31, 2018, at Book 6 of Maps of Assessment and Community Facilities Districts at Page 140, as Document No. 2018-120651.
6. **Description of Facilities.** The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities (the "Facilities") in Exhibit A hereto and by this reference incorporated herein.
7. **Special Tax.**
 - a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that special taxes may be directly billed by the City and/or the Council may provide for other appropriate methods of collection by resolution of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.
 - b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and by this reference incorporated herein.
 - c. In the case of any Special Tax to pay for the Facilities and to be levied against any parcel used for private residential purposes: (i) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes and which amount shall not be increased over time over two percent per year; (ii) the tax year after which no further Special Tax subject to this sentence shall be levied or collected shall be as set forth in Exhibit B hereto; and (iii) under no circumstances will the Special Tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel

within the CFD by more than ten percent. For the purposes hereof, a parcel is used for "private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

8. Increased Demands. It is hereby found and determined that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD.

9. Responsible Official. The office of the Finance Director of the City of Lathrop, City Hall, 390 Towne Center Drive, Lathrop, California 95330 (209-941-7329) is designated as the office responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number, estimating future special tax levies and for establishing procedures to promptly respond to inquiries regarding estimates of future special tax levies. The City may contract with private consultants to provide this service in lieu of the Finance Director.

10. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in each respective Improvement Area and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

11. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$27,500,000 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

12. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

13. Callable Bonds and Tender. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution providing for the form, execution and issuance of bonds. In accordance with Sections 53344.1 and 53356.8 of the Act, bonds issued for the CFD shall be permitted to be tendered for special taxes and the interest and penalties thereon, as specified in the documents setting forth the rights of the bondholders.

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

15. Effective Date. This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

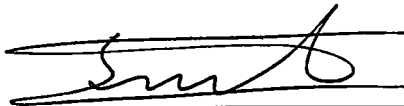
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A - List of Authorized Facilities
EXHIBIT B – Rate and Method of Apportionment

EXHIBIT A

List of Authorized Facilities

COMMUNITY FACILITIES DISTRICT NO. 2018-2 (Central Lathrop Specific Plan Facilities)

The Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD") shall include the following facilities:

The Mello-Roos Community Facilities Act of 1982 (the "Act") authorizes the creation of a Community Facilities District to finance public facilities, within or of benefit to the land in the district and/or to pay a special tax obligation and thereby provide redemption of indebtedness secured by such special tax. The CFD is proposed to be formed to pay the special tax obligation of the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") and thereby provide redemption of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds").

The facilities authorized for the 2006 CFD and related costs that were financed in whole or in part pursuant to the proceedings for the formation of the 2006 CFD included roadways and related improvements, wastewater system facilities and related improvements, potable water system facilities and related improvements, drainage system facilities and related improvements, recycled water system facilities and related improvements, park and open space facilities, habitat mitigation improvements and other public facilities necessary to meet development requirements.

In addition to the above purposes, the CFD may pay or provide financing for all administrative costs as allowed by the Act, including but not limited to costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, all "Administrative Expenses" as set forth in the Rate and Method of Apportionment of Special Tax for the CFD and all costs otherwise incurred to carry out the authorized purposes of the CFD.

EXHIBIT B

Rate and Method of Apportionment of Special Tax

**COMMUNITY FACILITIES DISTRICT NO. 2018-2
(Central Lathrop Specific Plan Facilities)**

[ATTACH RATE AND METHOD OF APPORTIONMENT
FOR THE COMMUNITY FACILITIES DISTRICT]

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-2
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor's Parcel in the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2018-2, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2018-2 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any One-Time Special Tax Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2018-2 and the One-Time Special Tax Bonds related thereto, including, but not limited to, the levy and collection of One-Time Special Taxes, the fees and expenses of its counsel, amounts needed to pay rebate to the federal government with respect to One-Time Special Tax Bonds, costs associated with complying with continuing disclosure requirements with respect to the One-Time Special Tax Bonds and the One-Time Special Taxes, costs of recording any notices to evidence payment of the One-Time Special Taxes, and all other costs and expenses of the City and County in any way related to administration of the CFD including any costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

"Administrator" means the person or firm designated by the City to administer the One-Time Special Taxes according to this RMA.

"Airspace Parcel" means a parcel with an assigned Assessor's Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within CFD No. 2018-2 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“CFD” or “CFD No. 2018-2” means the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities).

“CFD Formation” means the date on which the Resolution of Formation for CFD No. 2018-2 was adopted by the City Council.

“CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD No. 2018-1 Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by special tax revenues generated from any of the improvement areas within CFD No. 2018-1.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Defaulted Parcel” means any Parcel of Taxable Property that is delinquent in payment of one or more installments of CFD No. 2018-1 special taxes at the time of an Event of Default.

“Event of Default” means, as to any Parcel, failure of such Parcel to pay any special tax of CFD No. 2018-1 when due.

“Final Levy Date” means the date that is 60 days prior to 10 years from the date of issuance of the CFD No. 2018-2 Bonds.

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

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which One-Time Special Tax Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Master Developer” means Lathrop Land Acquisition, LLC and any related entities, successors, or assigns.

“Net Proceeds” means, for a Parcel of Taxable Property, the sales price of such Parcel pursuant to a purchase/sale agreement between the Master Developer and an unrelated entity, less the sum of: (i) broker commissions paid to an entity unrelated to the seller, (ii) pro-rated ad valorem taxes, (iii) escrow fees and closing costs, (iv) the amount required to clear encumbrances recorded on title prior to CFD Formation, excluding non-monetary easements, agreements, covenants and restrictions customarily running with the land, as approved by the Administrator, (v) for the first 601 Residential Lots sold in the CFD, \$6,527.19 per Residential Lot on such Parcel and (vi) a share of Administrative Expenses, as determined by the Administrator.

“One-Time Special Tax” means either the One-Time Special Tax A or One-Time Special Tax B.

“One-Time Special Taxes” means both the One-Time Special Tax A and One-Time Special Tax B.

“One-Time Special Tax A” means a special tax that is (i) levied at close of escrow of a sale of a Parcel of Taxable Property pursuant to Sections C.1 and D.1 below, and (ii) used to pay One-Time Special Tax Bonds.

“One-Time Special Tax B” means a special tax that is (i) levied upon the occurrence of an Event of Default pursuant to Sections C.2 and D.2 below, and (ii) used to pay One-Time Special Tax Bonds.

“One-Time Special Tax Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are at least partially secured by revenues from the One-Time Special Taxes.

“Outstanding One-Time Special Tax Bonds” means all Previously Issued One-Time Special Tax Bonds which remain outstanding, with the following exception: if a One-Time Special Tax has been paid by an Assessor’s Parcel, and a portion of the One-Time Special Tax will be used to redeem principal of the One-Time Special Tax Bonds (as determined by the Administrator), that anticipated redemption of principal shall not be counted in the total amount of Outstanding One-Time Special Tax Bonds.

“Previously Issued One-Time Special Tax Bonds” means all One-Time Special Tax Bonds that have been issued prior to the occurrence of an Event of Default.

“Public Property” means any property within the boundaries of CFD No. 2018-2 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Residential Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a residential unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map. For the purposes of this RMA, a Residential Lot may also be an individual residential lot that is anticipated to be created on a Parcel of Taxable Property in the future.

“RMA” means this Rate and Method of Apportionment of Special Taxes.

“Taxable Property” means, in any Fiscal Year, all Parcels within CFD No. 2018-2 that (i) are not exempt from the One-Time Special Taxes pursuant to law or Section F below, (ii) were owned by the Master Developer at CFD Formation, (iii) have been sold or are expected to be sold to an entity that is unrelated to the Master Developer, and (iv) have not previously paid a One-Time Special Tax, all as determined by the City.

B. DATA FOR ADMINISTRATION OF SPECIAL TAXES

1. One-Time Special Tax A

Upon notification of a pending sale of Taxable Property, the Administrator shall identify (i) the current Assessor’s Parcel numbers for the Taxable Property being sold, and (ii) the Net Proceeds anticipated to be generated from each Parcel. The Administrator may rely upon any reasonable source of information to make the determinations required in this Section B.1, including, but not limited to: the Master Developer or escrow agent involved in a sale of Taxable Property or the City.

2. One-Time Special Tax B

On an ongoing basis, the Administrator shall monitor payments of the Series 2018-1 Bonds to determine whether an Event of Default has occurred. Upon the occurrence of an Event of Default or on the Final Levy Date, the Administrator shall identify (i) the current Assessor’s Parcel Numbers and Acreage of each Defaulted Parcel, (ii) the total Acreage of Taxable Property remaining in CFD No. 2018-2, which shall not include the Acreage of any Parcel or portion thereof that previously paid a One-Time Special Tax, and (iii) the amount of Outstanding One-Time Special Tax Bonds. The Administrator may rely upon any reasonable source of information to make the determinations required in this Section B.2, including, but not limited to: the trustee(s) of the CFD No. 2018-1 Bonds, the City, or the County Tax Collector’s Office.

C. ONE-TIME SPECIAL TAXES

1. One-Time Special Tax A

The One-Time Special Tax A for a Parcel of Taxable Property in CFD No. 2018-2 shall be equal to the Net Proceeds from the sale of the Parcel.

2. One-Time Special Tax B

As of the date of the most recent Event of Default and on the Final Levy Date, the One-Time Special Tax B for each Defaulted Parcel shall be determined by application of the following steps:

- Step 1:** Determine the total Acreage of the Defaulted Parcel.
- Step 2:** Divide the Acreage determined in Step 1 by the total Acreage of Taxable Property remaining in CFD No. 2018-2.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding One-Time Special Tax Bonds.
- Step 4:** Determine the total amount of Administrative Expenses to be collected. If the One-Time Special Tax B is being levied simultaneously on more than one Defaulted Parcel, this amount shall be divided between each Defaulted Parcel based on the relative Acreage of each Defaulted Parcel.
- Step 5:** The One-Time Special Tax B is equal to the sum of the amounts computed pursuant to Steps 3 and 4.

D. METHOD OF LEVY OF THE ONE-TIME SPECIAL TAXES

1. One-Time Special Tax A

Upon notification of a pending sale of one or more Parcels of Taxable Property, the Administrator shall determine the Net Proceeds anticipated to be generated from each Parcel. The One-Time Special Tax A shall then be levied separately on each Parcel to be sold.

2. One-Time Special Tax B

Upon the occurrence of an Event of Default, the Administrator shall determine which Parcels of Taxable Property are Defaulted Parcels. The One-Time Special Tax B shall then be levied separately on each Defaulted Parcel.

On the Final Levy Date, the Administrator shall determine which Parcels of Taxable Property have not previously paid a One-Time Special Tax. The One-Time Special Tax B shall then be levied separately on each such Parcel.

E. MANNER OF COLLECTION OF SPECIAL TAXES

1. One-Time Special Tax A

The One-Time Special Tax A shall be levied at the close of escrow of a sale of a Parcel of Taxable Property and shall be due and payable immediately. Upon payment in full of the One-Time Special Tax A for a given Parcel, the Administrator shall record, or cause to be recorded, a Notice of Cancellation of Special Tax Lien against the Parcel to reflect the discharge of the Parcel's obligation to pay both the One-Time Special Tax A and the One-Time Special Tax B.

2. One-Time Special Tax B

The One-Time Special Tax B shall be levied at the time of an Event of Default and upon the Final Levy Date, as soon as the determinations required in Sections C.2 and D.2 above can be made. The One-Time Special Tax B shall be levied by means of a One-Time Special Tax B bill sent directly to the owner of the Parcel via overnight mail, with a copy sent to the City. The One-Time Special Tax B bill shall be due and payable 30 days from the date of delivery. The One-Time Special Tax B shall have the same priority and bear the same penalties and interest after delinquency as do ad valorem property taxes. Upon payment in full of a One-Time Special Tax B for a given Parcel, the Administrator shall record a Notice of Cancellation of Special Tax Lien against the Parcel to reflect the discharge of the Parcel's obligation to pay both the One-Time Special Tax A and the One-Time Special Tax B.

F. EXEMPTIONS

Notwithstanding any other provision of this RMA, the One-Time Special Taxes shall not be levied on Public Property in CFD No. 2018-2. In addition, neither of the One-Time Special Taxes shall be levied on Parcels, or portions of Parcels, that have already paid one of the One-Time Special Taxes in a previous land sale or Event of Default.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the One-Time Special Taxes, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of the One-Time Special Taxes and any security for the One-Time Special Tax Bonds. The City, upon the request of an owner of land within the CFD which is Taxable Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the One-Time Special Taxes that can be collected from the Parcel.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DETERMINING
NECESSITY TO INCUR BONDED INDEBTEDNESS
WITHIN A COMMUNITY FACILITIES DISTRICT**

**CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

RESOLVED by the City Council (the "Council") of the City of Lathrop (the "City"), County of San Joaquin, State of California, that:

WHEREAS, on August 13, 2018, this Council adopted Resolution No 18-4440 (the "Resolution of Intention") with respect to Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

WHEREAS, on August 13, 2018, this Council also adopted Resolution No 18-4441 (the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention;

WHEREAS, this Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain defined facilities (the "Facilities") by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness in the CFD and the administrative costs of the City relative to the CFD;

WHEREAS, subsequent to the public hearing, this Council adopted a resolution entitled "Resolution to Form a Community Facilities District and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District" (the "Resolution of Formation") for the CFD;

WHEREAS, this Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk.

NOW, THEREFORE BE IT RESOLVED as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **Necessity.** This Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of \$27,500,000 within the boundaries of the CFD for the purpose of financing the costs of a portion of the Facilities, as provided in the Resolution of Intention and the Resolution of Formation including, but not limited to, the costs of issuing and

selling bonds or other forms of debt as defined in the Act (collectively, the "Bonds") to finance a portion of the Facilities and the costs of the City in establishing and administering the CFD.

3. **Entire CFD Liable.** The whole of the CFD shall pay for the Bonds through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit "B" to the Resolution of Formation.

4. **Bonds.** The Bonds in the maximum amount of \$27,500,000 are hereby authorized subject to voter approval. Bonds subject to this limit shall only include indebtedness evidenced by bonds or notes and shall not include bonds described in Section 53364.2(e) of the Act. The bonds for the CFD may be issued in one or more series and mature and bear interest at such rate or rates, payable in such manner as the City determines, all as this City Council or its designee shall determine, at the time or times of sale of such bonds; provided, however, that the interest rate or rates shall not to exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds and the bonds or any series thereof shall have a maximum term of not to exceed 40 years.

5. **Election.** The proposition of authorizing issuance of the Bonds and incurring bonded indebtedness therefor shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this Council.

6. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

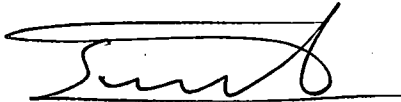
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP CALLING SPECIAL ELECTION

CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)

RESOLVED by the City Council (the "Council") of the City of Lathrop (the "City"), County of San Joaquin, State of California, that:

WHEREAS, this Council has adopted a resolution entitled "Resolution to Form a Community Facilities District and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District" (the "Resolution of Formation"), ordering the formation of City's Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), defining the public facilities (the "Facilities") to be provided by the CFD, authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

WHEREAS, this Council has also adopted a resolution entitled "A Resolution Determining the Necessity to Incur Bonded Indebtedness Within A Community Facilities District" (the "Resolution of Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$27,500,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution of Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

NOW THEREFORE BE IT RESOLVED as follows:

1. **Issues Submitted.** Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

2. **Qualified Electors.** This Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the ninety (90) days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

3. **Conduct of Election.** The Council acknowledges receipt of waivers of certain election formalities from the owners of all the land in the CFD and hereby calls a special election to consider the measures described in section 1 above, which election shall be held on November 19, 2018, and the results thereof canvassed at the meeting of this Council on November 19, 2018. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until the close of business on the election date. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until 7:00 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundary of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code, except as modified by waivers of the electors, and except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of election and other election matters.

4. **Ballot.** The Council finds that a single landowner owns all of the land within the CFD. As authorized by Section 53353.5 of the Act, the three propositions described in Section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to the qualified elector of the CFD. The ballot shall indicate the number of votes to be voted by the landowner. The Council hereby finds that the provisions of Section 53327 and 53327.5 of the Act requiring that each ballot be accompanied by all supplies and written instructions necessary for the use and return of the ballot and the envelope to be used to return the ballot shall be enclosed with the ballot, return postage prepaid, and containing representations and requirements as to certain election procedures are for the protection of the qualified electors of each Improvement Area and there is on file with the City Clerk a written waiver such procedures and requirements executed by all of the qualified electors of each Improvement Area, all electors of which have requested formation of the Improvement Areas and levy of special taxes. Accordingly, the Council finds and determines that the qualified electors have been fully apprised of and have agreed to the conduct of the election without such procedures and requirements, and have thereby been fully protected in these proceedings upon distribution and return of the ballots in the manner deemed appropriate by the City and all of the electors.

5. **Waivers.** This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

6. **Accountability.** The Council hereby finds that the proposed issuance of bonds and other debt for the CFD constitutes a "local bond measure" within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall provide accountability measures that include: (a) the specific purpose of the bonds; (b) any proceeds received from the sale of any bonds and other debt shall be applied only to the purposes; (c) the

proceeds of any bonds and other debt shall be deposited into special accounts to be created therefor as part of the issuance of the bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the provision and/or acquisition of the Facilities, the payment of debt service on the bonds and other debt and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds of the special tax shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual audit and report of the CFD.

7. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

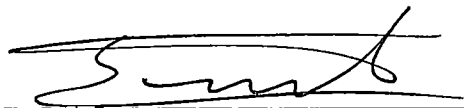
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)

SPECIAL ELECTION BALLOT
(Mailed-Ballot Election)

Number of Votes: _____

Property Owner: _____

This ballot is for a special, landowner election. You must return this ballot to the office of the City Clerk of the City of Lathrop no later than the hour of 7:00 p.m. on November 19, 2018, either by mail or in person. The City Clerk's office is located at City Hall, 390 Towne Centre Drive, Lathrop, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Lathrop and obtain another.

The amount of money raised annually and the rate and duration of the tax to be levied by this measure can be determined by application of the Rate and Method of Apportionment.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE: Shall the measure pursuant to which the City of Lathrop shall (i) incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed \$27,500,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses; (ii) levy a special tax payable solely from lands within the CFD upon lands within the CFD according to the rate and method of apportionment for the CFD adopted by the City Council to pay for the principal and interest upon such bonds, the costs of the City in administering the CFD, and the costs of refinancing certain facilities; and (iii) establish the initial annual appropriations limit of the CFD in the amount of \$27,500,000 **be adopted?**

YES: _____

NO: _____

By execution in the space provided below, you also confirm your written waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure.

Number of Votes: _____

Property Owner:

Lathrop Land Acquisition, LLC, a Delaware
limited liability company

By: Saybrook Fund Investors, LLC, its
managing member

By: _____
Jeffrey M. Wilson

RESOLUTION NO. _____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN****CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

RESOLVED by the City Council (the "Council") of the City of Lathrop (the "City"), County of San Joaquin, State of California, that:

WHEREAS, this Council has adopted a resolution entitled "Resolution to Form a Community Facilities District and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District" (the "Resolution of Formation"), ordering the formation of City's Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act").

WHEREAS, this Council has also adopted a resolution entitled "A Resolution Determining the Necessity to Incur Bonded Indebtedness for a Community Facilities District" (the "Resolution of Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$27,500,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, under the provisions of the Resolution of Formation and the Resolution Necessity and pursuant to "A Resolution Calling Special Election" (the "Election Resolution") heretofore adopted by this Council the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of the CFD as required by the provisions of the Act.

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election, (the "Canvass") a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

NOW THEREFORE BE IT RESOLVED as follows:

1. **Recitals.** The foregoing recitals are all true and correct.
2. **Issues Presented.** The issues presented at the special election were the levy of a special tax within the CFD, the incurring of a bonded indebtedness in the maximum aggregate principal amount of \$27,500,000, and the approval of an annual appropriations limit of not to exceed \$27,500,000, all pursuant to the Resolution of Formation and the Resolution of Necessity.

3. **Canvass and Issues Approved.** The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds (2/3) of the votes cast at the special election.

4. **Proceedings Approved.** Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

5. **Notice of Tax Lien.** The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of San Joaquin a notice of special tax lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this resolution by the Council.

6. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

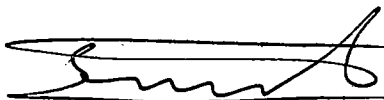
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

**CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

I hereby certify that on November 19, 2018, I canvassed the returns of the election held on November 19, 2018 in the Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) of the City of Lathrop and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner <u>Votes</u>	Votes <u>Cast</u>	<u>YES</u>	<u>NO</u>
City of Lathrop, Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) Special Tax Election	_____	_____	_____	_____

BALLOT MEASURE

BALLOT MEASURE: Shall the measure pursuant to which the City of Lathrop shall (i) incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed \$27,500,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), the proceeds of which bonds will be used to refinance the cost of certain facilities and pay for the costs of issuing the bonds and related expenses; (ii) levy a special tax payable solely from lands within the CFD upon lands within the CFD according to the rate and method of apportionment for the CFD adopted by the City Council to pay for the principal and interest upon such bonds, the costs of the City in administering the CFD, and the costs of refinancing certain facilities; and (iii) establish the initial annual appropriations limit of the CFD in the amount of \$27,500,000 be adopted?

Number of votes
YES

Number of votes
NO

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on _____.

By: _____
City Clerk

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP
LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY
FACILITIES DISTRICT NO. 2018-2 (CENTRAL LATHROP SPECIFIC
PLAN FACILITIES)**

WHEREAS, on August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intention to Form a Community Facilities District Therein and to Levy a Special Tax in the District to Finance the Acquisition and Construction of Certain Public Facilities Public Facilities" (the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD");

WHEREAS, notice was published as required by the Act relative to the intention of the Council to form the CFD, to provide for certain public facilities and to incur bonded indebtedness for the CFD;

WHEREAS, the Council has held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to finance a portion of the costs of the public facilities and (ii) the issuance of bonded indebtedness and other debt for the CFD;

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of said special taxes were heard, substantial evidence was presented and considered by the Council and a full and fair hearing was held;

WHEREAS, subsequent to the hearing, the Council adopted its Resolution No. 18-____ entitled "Resolution to Form a Community Facilities District and to Levy a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District" (the "Resolution of Formation"), its Resolution Determining the Necessity to Incur Bonded Indebtedness for a Community Facilities District" (the "Resolution Determining Necessity") and its Resolution Calling Special Election for a Community Facilities District" (the "Election Resolution"), which resolutions defined the public facilities to be financed by the CFD (the "Facilities"), established the CFD, authorized the levy of a special tax within the CFD, determined the necessity to incur bonded indebtedness for the CFD, and called an election within the CFD on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within the CFD; and

WHEREAS, on November 19, 2018 a special election was held with respect to the CFD at which the eligible landowner-electors of the CFD approved such propositions by the two-thirds vote required by the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LATHROP, as follows:

Section 1. By the passage of this Ordinance the Council hereby authorizes and levies special taxes within the CFD pursuant to the Act. The City shall levy the special taxes at the rate and in accordance with the formula (the "Rate and Method") set forth in the Resolution of Formation, which Resolution of Formation is by this reference incorporated herein. The special taxes are hereby authorized to be levied commencing in fiscal year 2018-29 and in each fiscal year thereafter for the period provided in applicable Rate and Method, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering the CFD.

Section 2. The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the CFD in the manner and as provided in the Resolution of Formation.

Section 3. Except as provided in the Rate and Method, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal and interest on bonds issued by the City for the CFD (the "Bonds"), the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected in the manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that special taxes may be directly billed by the City and/or the Council may provide for other appropriate methods of collection by resolutions of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The Finance Director of the City is hereby authorized bill and collect the special tax until the Bonds are paid in full or such longer period of time provided in the Rate and Method.

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

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

The foregoing Ordinance was adopted this 19th day of November, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS
FOR AND ON BEHALF OF A COMMUNITY FACILITIES DISTRICT,
APPROVING AND DIRECTING THE EXECUTION OF AN INDENTURE,
APPROVING SALE OF SUCH BONDS, AND APPROVING OTHER RELATED
DOCUMENTS AND ACTIONS**

**CITY OF LATHROP
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

WHEREAS, on June 6, 2006, the City Council (the "Council") of the City of Lathrop (the "City") adopted Resolution No. 06-2164, entitled "A Resolution of Formation of Community Facilities District and to Levy Special Tax in Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure)" which established the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, and, pursuant to a vote of the then qualified electors of the 2006 CFD, the City is authorized to levy a Special Tax therein and issued its City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds") on behalf of the 2006 CFD for the purpose of financing improvements of benefit to land in the 2006 CFD; and

WHEREAS, the land in a portion of the 2006 CFD has been acquired by Saybrook CLSP, LLC, a Delaware limited liability company and Lathrop Land Acquisition, LLC, a Delaware limited liability company (together, the "Landowners"), and the Landowners have requested that the special tax obligation of the 2006 CFD be deemed prepaid upon participation by the Landowners in two new community facilities districts to be established for the purpose of refinancing the 2006 Bonds, all pursuant to a "Restructuring Agreement for the Community Facilities District No. 2006-1" (the "Restructuring Agreement") by and among the City, the 2006 Trustee and the Landowners, which the parties thereto have determined is a mutually beneficial resolution of the delinquency issues pertaining to the CFD and which the parties expect will meet the needs of the current development plan of land within the two new community facilities districts; and

WHEREAS, pursuant to the Restructuring Agreement the Council has established Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "District"), and authorized the levy of special taxes upon the land within the District and bonds secured by said special taxes in the maximum principal amount of not to exceed \$27,500,000; and

WHEREAS, the City Council now desires to approve the issuance of bonds for the District, contemplated to be issued as a single term bond designated "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond (the "Bond"); and

WHEREAS, there has been submitted to the City Council a form of Bond Indenture to (the "Indenture") providing for the issuance the Bond of the City for the District, and the City Council, with the aid of City staff, has reviewed the form of Indenture and found it to be in proper order, and now desires to approve the Indenture and the issuance of the Bond for the District; and

WHEREAS, the City proposes to sell the Bond in a private placement pursuant to the terms of the Restructuring Agreement; and

WHEREAS, it appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE BE IT RESOLVED as follows:

1. Pursuant to the Act, this Resolution and the Indenture, special tax bonds of the City for the District designated as "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond" in a principal amount not to exceed \$27,500,000 are hereby authorized to be issued. The Bond shall be executed in the form set forth in and otherwise as provided in the Indenture.

In furtherance of the issuance of the Bond, the City Council hereby makes the following findings and determinations: (i) it is prudent in the management and development of the City and the District to issue the Bond for the purpose of providing moneys for the refinancing of facilities authorized to be financed by the District and originally financed with the 2006 Bonds, (ii) the Bond and the District are in compliance with the City's Goals and Policies for Mello Roos Financings, and (iii) the Council has not concluded that the value of the real property within the CFD subject to the special tax to pay debt service on the respective series of Bonds is at least three times the proposed principal amount of such Bonds and the principal amount of bonds anticipated to be issued by the City's Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) Special Tax Bonds, however the Council finds that the sale of the Bonds shall proceed notwithstanding the absence of such determination for public policy reasons and due to special circumstances, all related to the need to refinance the 2006 Bonds due to significant delinquencies in the payment of the special taxes of the 2006 CFD and the 2006 Bonds and the opportunity to refinance the 2006 Bonds in a manner which allows for development in the CFD to proceed.

2. The City Council hereby approves the Indenture in the form presented to the City Council at this meeting. The Finance Director, the City Manager, the City Attorney or such other person or persons as either of them may designate (each, an "Authorized Officer") are each hereby authorized and directed to execute the Indenture, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document

upon consultation with the City's Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Indenture.

3. The City hereby covenants, for the benefit of the Bondowners, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the Bond, said foreclosure action to be commenced and pursued as more completely set forth in the Indenture.

4. The Bond, when executed, shall be delivered to the Trustee appointed in the Indenture for authentication. The Trustee is hereby requested and directed to authenticate the Bond by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bond, when duly executed and authenticated, to the purchaser in accordance with the Restructuring Agreement and written instructions executed on behalf of the City by one or more of the Authorized Officers, which instructions such officers are each hereby authorized, for and in the name and on behalf of the City, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bond to the purchaser thereof, upon receipt of consideration for the purchase price therefor.

5. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bond are hereby approved, confirmed and ratified, and the proper officers of the City are each hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. Any document herein approved and executed and delivered by any one of the Authorized Officers shall be a valid and binding agreement of the City.

6. This Resolution shall take effect from and after its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 19th day of November, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

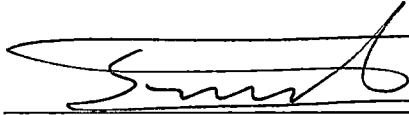
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

BOND INDENTURE

Between

CITY OF LATHROP

and

**UMB, National Association,
as Trustee**

Dated as of _____ 1, 2018

**\$ _____
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-2
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
2018 SPECIAL TAX BOND**

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EXHIBIT A FORM OF 2018 SPECIAL TAX BOND

A-1

BOND INDENTURE

THIS BOND INDENTURE (this "Indenture") is made and entered into as of _____ 1, 2018, by and between the City of Lathrop, a municipal corporation and general law city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for and on behalf of the City's Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"), and UMB, National Association (the "Trustee"), and governs the terms of the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond (the "Bond").

RECITALS:

WHEREAS, on June 6, 2006, the City Council of the City adopted Resolution No. 06-2164, entitled "A Resolution of Formation of Community Facilities District and to Levy Special Tax in Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase I Infrastructure)" which established the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase I Infrastructure) (the "2006 CFD") under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the "Act"), and, pursuant to a vote of the then qualified electors of the 2006 CFD, the City is authorized to levy and has levied special taxes and incurred bonded indebtedness for the purpose of financing improvements of benefit to land in the 2006 CFD; and

WHEREAS, in 2006 the City issued on behalf of the 2006 CFD its \$50,000,000 principal amount of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds Series 2006 (the "2006 Bonds") payable from the special taxes levied on taxable property within the 2006 CFD; and

WHEREAS, due to the non-payment of special taxes of the 2006 CFD and default in payment of the 2006 Bonds, two owners holding a large portion of the land within the 2006 CFD have entered into a Restructuring Agreement dated as of August 13, 2018 with, among others, the City (the "Restructuring Agreement") and has caused all holders of the 2006 Bonds who are not affiliated with such owner to be paid in full; and

WHEREAS, the terms of the Restructuring Agreement provide that the City terminate the special tax of the 2006 CFD and release the special tax lien on all parcels of land within the 2006 CFD and replace it with the special tax of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities), which includes Improvement Area No. 1 and its four other improvement areas (together, the "CFD 2018-1") and, within the same boundary as CFD 2018-1, the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD" or "CFD 2018-2"), each of which will encompass certain parcels originally in the 2006 CFD, all pursuant to the terms of the Restructuring Agreement, in order to facilitate the prepayment, waiver and termination of all of the special tax on parcels within the 2006 CFD (whether delinquent or otherwise, and including all penalties and interest thereon) and meet the needs of the current development plan of land within CFD 2018-1 and CFD 2018-2; and

WHEREAS, the City Council formed the CFD under the provisions of the Act and the City Council, as the legislative body with respect to the CFD, is authorized under the Act to levy special taxes to facilitate prepayment of the special taxes of the 2006 CFD and thereby

refinance the costs of facilities financed by the 2006 CFD and to authorize the issuance of up to \$ _____ of bonds secured by special taxes in the CFD under the Act; and

WHEREAS, under the provisions of the Act, on November 19, 2018, the City Council of the City adopted its Resolution No. _____ (the "Resolution"), which resolution, among other matters, authorized the issuance of the City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond (the "Bond") to provide moneys for the refinancing of a portion of the improvements financed by the 2006 CFD and provided that said issuance would be in accordance with the Act and this Indenture, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the City, the CFD, the persons responsible for the payment of special taxes and the Owners of the Bond that the City enter into this Indenture to provide for the issuance of the Bond, the disbursement of proceeds of the Bond, the disposition of the special taxes securing the Bond authorized to be issued hereunder and the administration and payment of the Bond; and

WHEREAS, the City has determined that all things necessary to cause the Bond, when authenticated by the City for the CFD and issued as in the Act, the Resolution and this Indenture provided to be legal, valid and binding and special obligations of the City for the CFD in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bond, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bond is to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bond by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the City does hereby covenant and agree, for the benefit of the Owners of the Bond as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 et seq. of the California Government Code.

“Administrative Expenses” means any or all of the following:

(a) the expenses directly related to the administration of the CFD, including, but not limited to, the costs of computing the Special Taxes and preparing any Special Tax collection schedules (whether by the City or a designee thereof or both); the costs of collecting the Special Taxes (whether by the County, the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs associated with preparing Special Tax disclosure statements and responding to the public inquiries regarding the Special Taxes; and the costs of the City, the CFD or any designee thereof related to an appeal of the Special Tax;

(b) the costs of the Trustee (including its legal counsel) in the discharge of the duties of the Trustee pertaining to the Bond required under this Indenture and any Supplemental Indenture;

(c) any amounts required to be rebated to the federal government; and

(d) all other costs and expenses of the City (including, but not limited to, an allocable share of the salaries of the City staff directly related to the foregoing, a proportionate amount of City general administrative overhead related to the foregoing, and amounts advanced by the City for any administrative purpose of the CFD, including amounts advanced to ensure maintenance of tax exemption, and the costs of prosecuting foreclosure of delinquent Special Taxes, which amounts advanced are subject to reimbursement from other sources, including proceeds of foreclosure) and the Trustee incurred in connection with the discharge of their respective duties hereunder and in any way related to the administration of the CFD and all actual costs and expenses incurred in connection with the administration of the Bond, including any costs related to any dispute, litigation, settlement or defense of any matter related to the District.

“Authorized Representative of the City” means the City Manager, the City Finance Director, City Attorney or any other officer or employee authorized by the City Council of the City or by an Authorized Representative of the City to undertake the action referenced in this Indenture as required to be undertaken by an Authorized Representative of the City.

“Bond Counsel” means Jones Hall, A Professional Law Corporation, and its successors; or any other attorney at law or firm of attorneys selected by the City, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states

and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Register" means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bond shall be recorded.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond is registered.

"Bond" means the \$ _____ City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond.

"Bond Year" means the twelve month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bond shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

"Business Day" means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized to remain closed.

"Certificate of an Authorized Representative" means a written certificate or warrant request executed by an Authorized Representative of the City.

"CFD," "CFD 2018-2" or "District" means City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) established pursuant to the Act and the Resolution of Formation.

"City" means the City of Lathrop.

"Closing Date" means the date upon which there is a physical delivery of the Bond to the Original Bondowner according to the terms of the Restructuring Agreement.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bond or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official guidance published, under the Code.

"Delivery Date" means the date reflected on the Bond and designated by the City as the date on which the Bond is issued and delivered to the Original Bondowner.

"Depository" means DTC or any other Securities Depository acting as Depository pursuant to Section 2.12.

"Finance Director" means the official of the City, or such official's designee, who acts in the capacity as the chief financial officer of the City, including the treasurer, controller or other financial officer.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means any of the following:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation).
- (b) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

“Gross Taxes” means the proceeds of the Special Taxes received by the City as payment of Special Taxes pursuant to the Rate and Method, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Gross Taxes” does not include any penalties collected in connection with delinquent Special Taxes.

“Indenture” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article 6 hereof.

“Maturity Date” means December [●], 2028.

“Net Taxes” means Gross Taxes minus the amount set aside to pay the Administrative Expenses.

"Nominee" shall mean (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.12 hereof.

"One-Time Special Tax A" means the One-Time Special Tax A described in the Rate and Method.

"One-Time Special Tax B" means the One-Time Special Tax B described in the Rate and Method.

"Ordinance" means any ordinance of the City levying the Special Taxes, including but not limited to Ordinance No. _____ adopted on _____, 2018.

"Original Bondowner" means Lathrop Acquisition, LLC, a Delaware limited liability company.

"Outstanding" or "Outstanding Bond" means the Bond theretofore issued by the City, except:

(1) The Bond theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof;

(2) The Bond for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture; and

(3) The Bond has been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

"Participants" those for whom the Depository holds the Bond as securities depository.

"Payment Date" means (i) the Maturity Date, and (ii) prior to the Maturity Date, each date which is designated by the City or the Trustee as an optional or mandatory redemption date, provided if such date is not a Business Day, interest up to the Payment Date will be paid on the Business Day next preceding such date.

"Person" means natural persons, firms, corporations, partnerships, limited liability companies, associations, trusts, public bodies and other entities.

"Principal Office of the Trustee" means the corporate trust office of the Trustee located in _____, provided that for purposes of payment, redemption, transfer, exchange, surrender and cancellation of the Bond, such term means the corporate trust office of the Trustee in _____ or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

"Rate and Method" means the Rate and Method of Apportionment of Special Taxes applicable to CFD 2018-2, a copy of which as originally adopted is attached hereto.

"Record Date" means the fifteenth day of the month preceding a Payment Date, regardless of whether such day is a Business Day.

"Resolution of Formation" means Resolution No. _____, adopted by the City Council of the City on November 19, 2018, establishing the CFD for the purpose of providing for the refinancing of certain public facilities in and for such CFD.

"Restructuring Agreement" means the Restructuring Agreement, dated as of August 13, 2018 and entered into by and between the City and Saybrook CLSP, LLC, a Delaware limited liability company, Lathrop Land Acquisition, LLC, a Delaware limited liability company, Lathrop Acquisition LLC, a Delaware limited liability company, and UMB, National Association, in its capacity as 2006 Trustee under the 2006 Indenture, and any amendments thereto.

"Securities Depositories" means The Depository Trust Company, New York, New York; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Certificate of an Authorized Representative delivered to the Trustee.

"Special Tax Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

"Special Taxes" means the taxes authorized to be levied by the City on property within the CFD in accordance with the Ordinance, the Resolution of Formation, the Rate and Method, the Act and the voter approval obtained at the November 19, 2018 election in the CFD.

"Supplemental Indenture" means any supplemental indenture amending or supplementing this Indenture.

"Surplus Fund" means the fund by that name created and established pursuant to Section 3.1 hereof.

"Trustee" means UMB, National Association, a national banking association organized and existing under the laws of the United States of America, at a principal corporate trust office in _____, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

"2006 Indenture" means the Indenture, dated September 1, 2006, between the City and the 2006 Trustee, as such was supplemented and amended subsequent to the initial execution (as so supplemented and amended).

"2006 Trustee " means UMB, National Association, in its capacity as trustee under the 2006 Bond Indenture.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bond. Under and pursuant to the Act, a single term Bond in the aggregate principal amount of _____ Million Dollars (\$_____) shall be issued for the purpose of refinancing in part the 2006 Bonds according to certain of the terms of the Restructuring Agreement.

Section 2.2. Limited Obligation. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the City is pledged to the payment of the Bond. Except for the Special Taxes, no other taxes are pledged to the payment of the Bond. The Bond is not a general obligation of the City, but is a limited obligation of the City payable solely from certain amounts deposited by the City in the Special Tax Fund, as more fully described herein. The City's limited obligation to pay the principal of, and interest on the Bond from amounts in the Special Tax Fund is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bond may compel the exercise of the taxing power by the City (except as pertains to the Special Taxes) or the forfeiture of any of its property. The principal of and interest on the Bond upon the redemption thereof, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bond is not a legal or equitable pledge, charge, lien, or encumbrance upon any of the City's property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund which are, under the terms of this Indenture and the Act, set aside for the payment of the Bond and interest thereon and neither the members of the City Council of the City nor any persons executing the Bond are liable personally on the Bond by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the City shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bond, or for the performance of any covenants contained herein. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bond shall be payable exclusively from the Net Taxes and other amounts in the Special Tax Fund (, which are hereby set aside for the payment of the Bond. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bond and so long as any of the Bond or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes, if any, needed to be used by the City to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government shall no longer be considered to be pledged to the Bond.

Nothing in this Indenture or any Supplemental Indenture shall preclude the redemption prior to maturity of the Bond when it is subject to call and redemption and payment from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California.

Section 2.4. Description of Bond; Interest Rates. The Bond shall be issued in certificated form in denominations of \$100,000 or any integral multiple of \$1 in excess thereof. The Bond shall be numbered as desired by the Trustee.

The Bond shall be designated "CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-2 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES) 2018 SPECIAL TAX BOND." The Bond shall be dated as of the Delivery Date and shall mature and be payable on the Maturity Date if not paid prior to the Maturity Date from optional or mandatory redemptions pursuant to Section 4.1.

Interest shall be payable on the Bond from the date established in accordance with Section 2.5 below on each Payment Date thereafter until the principal sum of that Bond has been paid. Interest due on the Bond shall be calculated at a rate of _____% per annum on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bond shall be payable both as to principal and interest in lawful money of the United States of America. The principal of the Bond shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. Interest on the Bond shall be payable from the date of authentication of the Bond. Interest on the Bond shall be paid to the persons whose name shall appear in the Bond Register as the Owners of such Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Bondowners at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bond, payment shall be made on the Payment Date by wire transfer in immediately available funds to an account designated by such Owner; provided that so long as the Bond is in book-entry form, payments with respect to the Bond shall be made by wire transfer or such other method acceptable to the Trustee to the Depository.

In accordance with Sections 53344.1 and 53356.8 of the Act, the the City reserves to itself, the right and authority to allow any interested owner of property within the CFD, subject to the provisions of those Sections and the Act and to those conditions as the City may impose, and any applicable prepayment penalties as prescribed herein, to tender to the City in full payment or part payment of any installment of the Special Taxes or the interest or penalties thereon which may be due or delinquent any Bond secured thereby, the Bond to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Section 2.6. Form of Bond. The Bond and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the Bond and of the certificate of authentication.

The Bond shall initially be issued in certificated form. Notwithstanding any provision in this Indenture to the contrary, the City may, in its sole discretion at any time, elect to obtain a CUSIP number and/or convert the Bond to book entry form as provided in Section 2.12.

The Original Bondowner is purchasing the Bond for its own account, without a view to immediate distribution or sale thereof, however the Original Bondowner retains the right at any time to dispose of the Bond in accordance with the terms hereof. In the event that the Original Bondowner disposes of the Bond, the Original Bondowner understands that it has the sole responsibility for disclosure to subsequent investors purchasing from the Original Bondowner for all matters relating to the Bond and, to the extent applicable, for complying with the provisions of

any applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto, and the City has no obligations in that regard, nor shall any disclosure obligations related to the Bond or the CFD be implied or imposed upon the City without its express written consent.

Section 2.7. Execution and Authentication. The Bond shall be signed on behalf of the City by the manual or facsimile signature of the Mayor and by the manual or facsimile signature of the City Clerk, or any duly appointed deputy City Clerk, in their capacity as officers of the City. In case any one or more of the officers who shall have signed or sealed any of the Bond shall cease to be such officer before the Bond so signed and sealed have been authenticated and delivered by the Trustee (including a new Bond delivered pursuant to the provisions hereof with reference to the transfer and exchange of the Bond or any lost, stolen, destroyed or mutilated Bond), such Bond shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office.

Only a Bond bearing thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bond which shall upon reasonable prior notice be open to inspection by the City during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, the Bond as herein provided.

The City and the Trustee may treat the Owners of the Bond whose names appear on the Bond Register as the absolute Owners of that Bond for any and all purposes, and the City and the Trustee shall not be affected by any notice to the contrary. The City and the Trustee may rely on the address of the Bondowners as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowners to give written notice to the Trustee of any change in the Bondowners' address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

The Bond may be exchanged at the office of the Trustee for a like aggregate principal amount of Bond for other authorized denominations of the same maturity and issue; however for so long as the Bond is in certificated form, the Owner shall provide at least 15 days' notice so as to permit the Issuer to execute such new Bond prior to authentication by the Trustee. The Trustee shall not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bond shall be surrendered for registration of transfer or exchange, the City shall execute and the Trustee shall authenticate and deliver a new Bond or Bond of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall

not be required to register transfers or make exchanges of (i) Bond for a period of 15 days next preceding any selection of the Bond to be redeemed, or (ii) any Bond chosen for redemption.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bond. If any Bond shall become mutilated, the City shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the City shall execute and the Trustee shall authenticate and deliver, a new Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee shall not treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bond which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bond Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bond

Section 2.11. Validity of Bond. The validity of the authorization and issuance of the Bond shall not be affected in any way by any defect in any proceedings taken by the City for the CFD, and the recital contained in the Bond that the same is issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of its issuance.

Section 2.12. Book-Entry Only System. The Bond shall not initially be issued in book-entry form or through the facilities of DTC. So long as the Bond is held solely by or on behalf of the Original Bondowner, the Original Bondowner may request that the Bond become DTC eligible and converted or reissued to book-entry form, in which case DTC shall act as the Depository for the Bond and the provisions of this Section 2.12 shall be applicable. In such case, and per DTC requirements one Bond for each maturity of the Bond shall be executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon execution, authentication, and delivery, the ownership of the DTC eligible Bond shall be registered in the Bond Register kept by the Trustee for the Bond in the name of Cede & Co, as nominee of DTC or such Nominee as DTC shall appoint in writing.

Each Authorized Representative of the City is hereby authorized to take any and all actions as may be necessary and not inconsistent with this Indenture to qualify the Bond for the Depository's book-entry system, including the execution of the Depository's required representation letter. The Trustee shall have no responsibility for making the Bond "DTC eligible" or obtaining a CUSIP for the Bond. In the event the Bond is converted to book-entry only, the Trustee shall act only as a FAST Agent for the Bond.

With respect to a Bond registered in the Bond Register in the name of the Nominee, the Trustee shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bond as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bond (the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Trustee shall not have any responsibility or obligation with respect to (i) the accuracy of the records of

DTC, the Nominee, or any DTC Participant with respect to any ownership interest in the Bond, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bond, including any notice of redemption or mandatory tender, (iii) the selection by the Depository of the beneficial interests in the Bond to be redeemed in the event the City elects to redeem the Bond in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bond, or (v) any consent given or other action taken by the Depository as Owner of the Bond.

The Trustee may treat as and deem DTC to be the absolute Owner of the Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bond, for the purpose of giving notices of prepayment and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all purposes whatsoever. The Trustee shall pay all principal of and interest on the Bond only to the Owners as shown on the Bond Register, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bond to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.9 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new Nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bond at any time by giving written notice to the Trustee and the City during any time that the Bond are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bond if it determines that DTC is unable to discharge its responsibilities with respect to the Bond or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Trustee.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest the Beneficial Owners of the Bond that they be able to obtain certificated Bond, the Bond shall no longer be restricted to being registered in the Bond Register of the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.9.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.9, the Bond will be delivered to such Beneficial Owners as soon as practicable.

Section 2.13. Ownership by Original Bondowner. Notwithstanding anything herein to the contrary, so long as the Bond is owned by the Original Bondowner or a single Owner (i) the Trustee shall pay principal of and interest on the Bond when due by wire transfer in immediately available funds to the Owner in accordance with wire transfer instructions on file with the Trustee as shall be filed by the Owner with the Trustee from time to time; provided if the date for payment is not a Business Day, then such payment shall be made on the Business Day immediately following said payment date, (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bond by the Owner, and (iii) the

Trustee shall not be required to give notice to the Owner of any redemption of the Bond pursuant to Section 4.1.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds and Other Moneys.

(a) Creation of Funds. There is hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The Community Facilities District No. 2018-2 Special Tax Fund (the "Special Tax Fund"); and

(2) The Community Facilities District No. 2018-2 Surplus Fund (the "Surplus Fund").

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee and the Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article 3 and shall disburse investment earnings thereon in accordance with the provisions of Section 3.4 hereof.

(b) Application of Funds Received on Closing Date. No funds are anticipated to be deposited with the Trustee on or before the Closing Date.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) All Net Taxes received by the Trustee from or on behalf of the City shall be deposited in the Special Tax Fund and withdrawn by the Trustee in accordance with direction from the City in a Certificate of an Authorized Representative for payment of principal and interest on the Bond from moneys received from the City upon receipt by the City of the One-Time Special Tax A or One-Time Special Tax B and available for payment on the Maturity Date or prior to the Maturity Date on a date designated for optional or mandatory redemption of the Bond.

(b) Moneys in the Special Tax Fund shall be used solely for the purpose of a mandatory redemption of a portion of the Bond or pursuant to receipt of the City's election to call the Bond for redemption as set forth in Section 4.1 hereof, or payment of the Bond on the Maturity Date, as directed by the City, and shall be applied by the Trustee on the redemption date or on the Maturity Date, as applicable, to the payment of principal of and interest on the Bond to be redeemed upon presentation and surrender of such Bond.

Section 3.3. Surplus Fund. Upon payment in full of all principal and interest on the Bond, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund. Moneys deposited in the Surplus Fund shall be transferred by the Trustee upon request received by the Trustee in a Certificate of an Authorized Representative of the City, to the City and are not pledged to the repayment of the Bond.

Section 3.4. Investments. Moneys held in any of the Funds, Accounts and Subaccounts under this Indenture shall be invested as directed by the City. In the event no direction from the City is received by the Trustee, such moneys shall be invested in money market funds (including money market funds for which the Trustee, its affiliates or subsidiaries provide

investment advisory or other management services) until such time as direction is given by the City to invest otherwise.

The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The City acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 3.5. Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bond (within the meaning of section 148 of the Code), shall be acquired, disposed of, and valued (by the City, as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the City at their present value (within the meaning of section 148 of the Code).

ARTICLE IV
REDEMPTION

Section 4.1. Redemption of Bond.

(a) Periodic Mandatory Redemptions and Final Maturity Date. The Bond is issued with a single Maturity Date and subject to optional and mandatory redemptions at any time and from time to time prior to the Maturity Date as set forth below. In the event the City elects to redeem the Bond as provided below, the City shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bond to be redeemed. The notice to the Trustee shall be given at least (i) 10 days prior to the redemption date for any optional redemption; and (ii) [5] days prior to redemption for any mandatory redemption, or, in each case, by such later date as is acceptable to the Trustee, in its sole discretion.

(b) Optional Redemption. The Bond is subject to optional redemption prior to maturity as a whole, or in part, on any date from any available moneys of the City, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium.

(c) Mandatory Redemption. The Bond is subject to mandatory redemption at any time and from time to time prior to the Maturity Date (i) upon the sale of a parcel in the District, or (ii) upon a default and foreclosure sale, in each case at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium. Certain sales of a parcel in the CFD will trigger the levy of a one-time Special Tax which shall become due upon the sale of the parcel, all in accordance with the Rate and Method. The Special Tax can also be triggered through a foreclosure proceeding or in contemplation of the Maturity Date, in both instances in accordance with the Rate and Method.

Section 4.2. Partial Redemption. If less than the full amount of the Outstanding amount of the Bond is to be redeemed, the portion to be redeemed shall be as directed by the City in a written direction. Notwithstanding the foregoing, in the event the Bond is book entry only, such redemption procedure shall be subject to DTC's operational procedures.

Section 4.3. Notice of Redemption. The Trustee shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least three (3) days prior to the date fixed for redemption, to the registered Owners of the Bond, at such owner's address appearing on the Bond registration books in the Principal Office of the Trustee; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bond. The actual receipt by the Owners of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bond, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owners shall not be entitled to show that he or she failed to receive notice of such redemption.

Any such redemption notice may specify that redemption on the specified date will be conditional and subject to receipt by the City of moneys sufficient to cause such redemption and

may be rescinded in the event insufficient moneys are available, and neither the City nor the Trustee shall have any liability to the Owners or any other party as a result of its failure to redeem the Bond as a result of insufficient moneys.

Upon the payment of the redemption price, each check or other transfer of funds issued for such purpose shall to the extent applicable and practicable bear the CUSIP number (if applicable) identifying the Bond amount being redeemed with the proceeds of such check or other transfer.

Section 4.4. Partial Redemption of Bond. Upon surrender of any Bond to be redeemed in part only, at the request of the Bondowner the City shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the City, a new Bond of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered, with the same interest rate and the same maturity.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) The Bond, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture, anything in this Indenture or in the Bond to the contrary notwithstanding;

(b) Upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bond shall be paid to the Owners thereof;

(c) As of the redemption date the Bond, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bond, or portions thereof, shall cease to bear further interest; and

(d) As of the date fixed for redemption no Owner of any of the Bond or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The City shall preserve and protect the security pledged hereunder to the Bond against all claims and demands of all persons.

Section 5.2. Covenants. So long as the Bond issued hereunder is Outstanding and unpaid, the City makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the City or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bond and tend to make it more marketable; provided, however, that said covenants do not require the City to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The City covenants that it will receive all Special Taxes in trust for the Owners and will instruct the Finance Director to deposit all Net Taxes with the Trustee upon receipt by City, and the City shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Net Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the City.

The City covenants that it will duly and punctually pay or cause to be paid the principal of and interest on the Bond thereon on the date, at the place and in the manner set forth in the Bond and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bond, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bond issued hereunder.

Although the Special Tax will constitute a lien on parcels in the District in accordance with the Rate and Method, it does not constitute a personal indebtedness of the owners of such property. The Bond is payable only from the Net Taxes, and the Rate and Method provides that Special Taxes will be only equal to proceeds generated from the sale or foreclosure of parcels in the District. There is no assurance that the proceeds of the sale or foreclosure of all parcels in the District will generate sufficient amounts to pay all principal and interest on the Bond. As a result of this unknown result, the Bond has a substantial risk of nonpayment. The City has not made any investigation into the appropriateness of investment in the Bond and makes no representations as to the sufficiency of the Special Taxes, including any proceeds of foreclosure for non-payment of Special Taxes, for payment in full of the Bond. The City has no obligation to provide any disclosure to a subsequent purchaser of the Bond or to provide any continuing disclosure or any other form of disclosure as customarily provided or otherwise required to be provided to bondholders pursuant to any law or regulation, nor shall the City be required to evaluate or comment on any form of disclosure provided to any subsequent purchaser of the Bond.

The City will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or

security having a lien or charge upon the Net Taxes superior to or on a parity with the Bond, other than bonds issued to refund all or a portion of the Bond.

(b) Levy of Special Tax. The City shall comply with all requirements of the Act so as to assure the timely collection of Gross Taxes, including without limitation, the enforcement of delinquent Special Taxes.

(i) *Levy.* The Finance Director shall effect the levy of the Special Taxes in accordance with the Ordinance while the Bond is outstanding. Upon the completion of the computation of the amount of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Trustee notice of the expected redemption of the Bond from moneys expected to be received from the One-Time Special Tax A or One-Time Special Tax B and available for mandatory redemption of the Bond pursuant to Section 4.1(c), or notice of the levy for payment of the Bond upon the Maturity Date from moneys expected to be received from the One-Time Special Tax B described in the Rate and Method and expected to be available for payment of principal and interest on the Bond on the Maturity Date.

(ii) *Computation.* The Finance Director shall cause to be fixed and levied the amount of Special Taxes within the CFD in accordance with the Rate and Method. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation.

(iii) *Collection.* The Special Taxes shall be hand-billed by the City from time to time as they become payable pursuant to the Rate and Method, and be payable to and collected by the City, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

(c) Commence Foreclosure Proceedings. The Finance Director hereby, with and for the benefit of the Owners of the Bond, covenants that it will notify the City Attorney of any delinquency on any taxable parcel in the CFD of which the Finance Director is aware has not paid the Special Tax when due, and the City Attorney or a designee shall promptly notify the owner of the parcel which is delinquent that proceedings for foreclosure of the parcel(s) shall commence if the delinquency is not paid within 30 days of such notification. The City Attorney shall commence, or cause to be commenced, collection actions preparatory to the filing of a complaint for foreclosure, and, not later than four months thereafter, cause to be commenced court proceedings for foreclosure. The City Attorney is hereby authorized to employ special counsel to conduct any such foreclosure proceedings, the cost of which may be payable from the Administrative Expense Reserve Fund held by the trustee for CFD 2018-1.

(d) Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund, or which might impair the security of the Bond then Outstanding; provided that nothing herein contained shall require the City to make any such payments so long as the City in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The City will keep proper books of records and accounts of the CFD, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during

business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the principal amount of the Bond then Outstanding or their representatives authorized in writing.

(f) Tax Covenants. The City covenants as follows:

(i) *Private Activity Bond Limitation.* The City shall assure that the proceeds of the Bond are not so used as to cause the Bond to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(ii) *Federal Guarantee Prohibition.* The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bond to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(iii) *Rebate Requirement.* The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bond.

(iv) *No Arbitrage.* The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bond which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bond would have caused the Bond to be an "arbitrage bond" within the meaning of section 148 of the Code.

(v) *Maintenance of Tax-Exemption.* The City shall take all actions necessary to assure the exclusion of interest on the Bond from the gross income of the Owners of the Bond to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bond.

(g) Continuing Disclosure. The Original Bondowner of the Bond or an affiliate of such owner is the owner of all the land in the District as of the date of issuance of the Bond. The Original Bondowner and the City have determined and agreed that no Official Statement or Private Placement Memorandum is necessary or will be prepared in connection with the purchase of the Bond by the Original Bondowner. The City shall not have any obligation to provide any disclosure to a subsequent purchaser of the Bond or to provide any continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 in connection with underwritten bonds, or to provide any other form of disclosure as customarily provided or otherwise required to be provided to bondholders pursuant to any law or regulation, nor shall the City be required to evaluate or comment on any form of disclosure provided to any subsequent purchaser of the Bond.

(h) State Reporting Requirements. The following requirements shall apply to the Bond, in addition to those requirements under the preceding clause (l):

(i) *Annual Reporting.* Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bond, and in each calendar year thereafter until the October 30 following the final maturity of the Bond, the Finance Director shall cause the following information to be supplied to CDIAC: (i) the principal amount of the Bond Outstanding; (ii) the balance in the reserve fund, if any; (iii)

the amount of any capitalized interest funded from the proceeds of the Bond and the amount thereof used for payment of the Bond; (iv) the number of parcels in the CFD which are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel; (v) that no new improvement fund moneys were funded from the Bond; and (vi) the assessed value of all parcels in the CFD subject to the levy of the Special Taxes as shown in most recent equalized roll. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(ii) *Other Reporting.* If at any time the Trustee fails to pay principal and interest due on any scheduled payment date for the Bond, or if funds are withdrawn from the reserve fund, if any, to pay principal and interest on the Bond, the Trustee shall notify the Finance Director of such failure or withdrawal in writing. The Finance Director shall notify CDIAC and the Owner of the Bond of such failure or withdrawal within 10 days of such failure or withdrawal.

(iii) *Amendment.* The reporting requirements of this clause (h) shall be amended from time to time, without action by the City or the Trustee, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act. The Finance Director shall provide the Trustee with a copy of any such amendment.

(iv) *No Liability.* None of the City and its officers, agents and employees, the Finance Director or the Trustee shall be liable for any inadvertent error in reporting the information required by this clause (h).

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1. Supplemental Indentures or Orders Not Requiring Bondowner Consent. The City may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the City contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond payments;

(c) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bond then Outstanding; or

(d) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners; or

(e) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bond.

Section 6.2. Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bond Outstanding shall have the right to consent to and approve the adoption by the City of such Supplemental Indentures as shall be deemed necessary or desirable by the City for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond, (b) a reduction in the principal amount of the Bond or the rate of interest thereon, (c) a preference or priority among Bond amounts Outstanding, or (d) a reduction in the aggregate principal amount of the Bond, without the consent of the Owner of the Bond.

If at any time the City shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowner, the City shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. Upon consent to and approval of the Supplemental Indenture by the Bondowner, such proposed Supplemental Indenture, when duly adopted by the City, shall thereafter become a part of the proceedings for the terms of the Bond, and this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the City and all Owner of the Bond shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bond; Delivery of Amended Bond. After the effective date of any action taken as hereinabove provided, the City may determine that the Bond may bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Outstanding Bond at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond or a new Bond modified to conform to such action shall be prepared and executed and the previous Bond shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bond, upon surrender of such Outstanding Bond.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. UMB, National Association, shall be the Trustee for the Bond unless and until another Trustee is appointed by the City hereunder. The City may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee hereby accepts the trusts imposed upon it hereby, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions. The Trustee, prior to the occurrence of an event of default and after curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth herein, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an event of default has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Bondowners, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of the Bond when the same is duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of the Bond presented to it for such purposes, to provide for the cancellation of the Bond all as provided in this Indenture, and to provide for the authentication of the Bond, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bond payments, discharges and cancellations made by it.

The Trustee is hereby authorized to redeem the Bond when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel the Bond upon payment thereof in accordance with the provisions of Section 9.1 hereof.

The City shall from time to time, subject to any agreement between the City and the Trustee then in force, pay to the Trustee, but only from funds of the CFD and not from any other source, compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants and/or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees and expenses of its attorneys, not arising from its own gross negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. No provision in this Indenture will require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder unless indemnity reasonably satisfactory to it against such liability or risk is provided to it. The Trustee will not be liable for any action taken or omitted to be taken by it in accordance with the direction of a majority (or any lesser amount that may direct the Trustee in accordance with the provisions of this Indenture) of the Owners of the principal amount of the Bond Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The

foregoing obligation of the City to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bond.

Section 7.2. Removal of Trustee. The City may at any time at its sole discretion or shall, upon the direction from the Owners of a majority of the Outstanding Bonds, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowner of the successor Trustee's identity and address.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign by giving written notice to the City and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the registration books in the office of the Trustee. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bond shall be taken as statements, promises, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture, the Bond, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bond, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bond for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, facsimile transmission, electronic mail, report, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default until an officer at the Trustee's corporate trust office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the CFD, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 7.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an "event of default":

(a) Default in the due and punctual payment of the principal of the Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) Default in the due and punctual payment of the interest on the Bond when and as the same shall become due and payable; or

(c) Except as described in (a) or (b), default shall be made by the City in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bond, and such default shall have continued for a period of 30 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate principal amount of the Outstanding Bond.

The Trustee agrees to give notice to the Owners immediately upon the occurrence of an event of default under (a) or (b) above and within 30 days of the Trustee's knowledge of an event of default under (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the Outstanding Bond, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the City and any of the members, officers and employees of the City, and to compel the City or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) By a suit in equity to require the City and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Outstanding Bond and is indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article 8, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bond.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in

equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture relating to the Bond shall be applied by the Trustee in the following order upon presentation of the Bond:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article 8, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bond then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bond; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bond then due and unpaid on a pro rata basis based on the total amount then due and owing,

(b) second, to the payment of all installments of principal of the Bond then due and unpaid on a pro rata basis based on the total amount then due and owing, and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bond on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bond then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bond, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bond hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of the Bond shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of the Bond similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bond issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bond for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bond as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bond under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article 8 or in any other provision of this Indenture, or in the Bond, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of the Bond to the respective Owners of the Bond at the respective dates of maturity, as herein provided, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article 8 may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of the Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bond then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of the Bond of any remedy hereunder; it being understood and intended that no one or more Owner of the Bond shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bond.

The right of any Owner of the Bond to receive payment of the principal of and interest on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been

determined adversely, then and in every such case, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE; NO ADDITIONAL INDEBTEDNESS

Section 9.1. Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the City to the Owner of such Bond under this Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bond pursuant to this Section, the Trustee shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of and interest due on such Bond.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of and interest on such Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the City, in trust, Federal Securities, in which the City may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the City, and notwithstanding that any Outstanding Bond shall not have been surrendered for payment, all obligations of the City under this Indenture and any Supplemental Indenture with respect to such Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Trustee not fewer than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (b) or (c) above, there shall be provided to the City a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of and interest on all Outstanding Bond to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being

defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the City, shall release the rights of the Owners of such Bond which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the City all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, the Trustee shall pay over or deliver to the City any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due, such funds to be used in accordance with the Act and the Resolution of Formation. The Trustee shall, at the written direction of the City, mail, first class, postage prepaid, a notice to the Bondowner whose Bonds have been defeased, in the form directed by the City, stating that the defeasance has occurred.

Any defeasance accomplished by the deposit of Federal Securities may only be accomplished with an irrevocable deposit in escrow of certain investments referred to in this section. Further substitutions of securities in the escrow are not permitted. The deposit in the escrow must be sufficient, without reinvestment, to pay all principal and interest as schedule on the Bonds to and including the date of redemption. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

Section 9.2. No Additional Indebtedness Except Refunding Bond. The City shall not issue bonds or additional debt payable from the Net Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds, except bonds or other obligations may be issued on a parity with the Bond to refund all or any portion of the Bond.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bond. The Bond surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the City as authorized herein or otherwise received by the City or the CFD via a tender of the Bond in satisfaction of the payment of Special Taxes as permitted by the Act and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bond, as provided by law, and, upon request of the City, furnish to the City a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bond. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of the Bond shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) Any person in whose name the Bond shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the City nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the City to such proof, it being intended that the Trustee or the City may accept any other evidence of the matters herein stated which the Trustee or the City may deem sufficient. Any request or consent of the Owner of the Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee or the City in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee or the Trustee in trust for the payment and discharge of any of the Outstanding Bond which remain unclaimed for two years after the date when such Outstanding Bond have become due and payable, if such money was held by the Trustee or the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee or the Trustee after the date when such Outstanding Bond become due and payable, shall be repaid by the Trustee or the Trustee to the City, as its absolute property and free from trust, and the Trustee or the Trustee shall thereupon be released and

discharged with respect thereto and the Owners shall look only to the City for the payment of such Outstanding Bond; provided, however, that, before being required to make any such payment to the City, the Trustee at the written request of the City or the Trustee shall, at the expense of the City, cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bond at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be fewer than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

Section 10.4. Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the City and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the City, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bond this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the City from making contracts or creating bonded or other indebtedness payable from the general fund of the City or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bond the rights and benefits provided in this Indenture.

Section 10.7. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bond issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the City with respect to the Bond or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Finance Director of the City of Lathrop, 390 Towne Centre Drive, Lathrop, California 95330, and all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to the Trustee, at _____.

IN WITNESS WHEREOF, THE CITY OF LATHROP, for and on behalf of its Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities), has caused this Bond Indenture to be signed by an authorized officer and its City Clerk, and UMB, NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Bond Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

CITY OF LATHROP, for and on behalf of its
Community Facilities District No. 2018-2,
(Central Lathrop Specific Plan Facilities)

By: _____
City Manager

ATTEST:

City Clerk

UMB, NATIONAL ASSOCIATION, as
Trustee

By: _____
Its: Authorized Officer

APPROVED AS TO FORM:

David T. Fama, Bond Counsel

EXHIBIT A

FORM OF SPECIAL TAX BOND

R-__

\$_____

UNITED STATES OF AMERICA
 STATE OF CALIFORNIA
 CITY OF LATHROP
 COMMUNITY FACILITIES DISTRICT NO. 2018-2
 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
 2018 SPECIAL TAX BOND

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
___%	December [●], [2028]		

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

INVESTMENT IN THIS BOND REPRESENTS A HIGH DEGREE OF SPECULATIVE RISK. Investment in this Bond involves risks that may not be appropriate for some investors. This Bond is payable only from the levy of Special Taxes of the named Community Facilities District, net of certain administrative expenses, and the Special Taxes will only be equal to proceeds generated from the sale or foreclosure of parcels in the District. There is no assurance that the proceeds of the sale or foreclosure of all parcels in the District will generate sufficient amounts to pay all principal and interest on the Bond; accordingly the Bond have a substantial risk of nonpayment. The City has not made any investigation into the appropriateness of investment in the Bond and makes no representations as to the sufficiency of the Special Taxes, including any proceeds of foreclosure for non-payment of Special Taxes, for payment in full of the Bond. The original sale of this Bond was pursuant to a private placement and no Official Statement or Private Placement Memorandum has been or will be prepared in connection with this Bond. The City has no obligation to provide any disclosure to a subsequent purchaser of this Bond or to provide any continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 in connection with underwritten bonds, or to provide any other form of disclosure as customarily provided or otherwise required to be provided to bondholders pursuant to any law or regulation, nor shall the City be required to evaluate or comment on any form of disclosure provided by others to any subsequent purchaser of this Bond. Although the Special Tax will constitute a lien on parcels in the District, it does not constitute a personal indebtedness of the owners of such property.

THE CITY OF LATHROP (the "City"), for and on behalf of City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD" or "District"), FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the

Principal Amount set forth above, and to pay interest on such Principal Amount from the date of authentication hereof. Interest will be paid on the Maturity Date, or on an optional or mandatory redemption date referred to below, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of this Bond is payable to the registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Bond Indenture), initially UMB, National Association (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Payment Date occurs (the "Record Date") at such registered Owner's address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) 2018 Special Tax Bond" (the "Bond") issued in the aggregate principal amount of _____ Million Dollars (\$_____) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, et seq., of the California Government Code (the "Act") for the purpose of refinancing outstanding special tax bonds of the City. The issuance of the Bond and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City acting in its capacity as the legislative body of CFD (the "Legislative Body") on _____, 2018 and a Bond Indenture executed in connection therewith (the "Indenture"), and this reference incorporates the Indenture herein, and by acceptance hereof the registered Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of and interest on this Bond is payable solely from the Net Taxes, which means the portion of the annual special taxes authorized under the Act to be levied and collected within CFD and received by the City (referred to as the Gross Taxes), minus amounts set aside to pay Administrative Expenses, and certain other amounts pledged to the repayment of the Bond as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Taxes and other amounts deposited to the Special Tax Fund established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The City has covenanted for the benefit of the owners of the Bond that it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bond.

The Bond is subject to optional redemption prior to maturity as a whole, or in part, on any date from any available moneys of the City, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium.

The Bond is subject to mandatory redemption at any time and from time to time prior to the Maturity Date upon the sale of a parcel in the District, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium. Such sale will trigger the levy of a one-time Special Tax which shall become due upon the sale of the parcel, all in accordance with the Rate and Method. The Special Tax can also be

triggered through a foreclosure proceeding or in contemplation of the Maturity Date, in both instances in accordance with the Rate and Method.

Notice of redemption with respect to the Bond to be redeemed shall be given to the registered owners thereof not fewer than 10 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books. Neither a failure of the registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bond or portions thereof so called for redemption will cease to accrue interest on the specified redemption date; provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bond shall have no rights except to receive payment of the redemption price upon the surrender of the Bond. Any such redemption notice will be conditional and subject to receipt by the City of moneys sufficient to cause such redemption and may be rescinded in the event insufficient moneys are available, and neither the City nor the Trustee shall have any liability to the Owners or any other party as a result of its failure to redeem this Bond in full or in part as a result of insufficient moneys.

This Bond shall be registered in the name of the registered Owner hereof, as to both principal and interest, and the City and the Trustee may treat the registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bond is issuable only in fully registered form in the denomination of \$100,000 or any integral multiple of \$1 in excess thereof and may be exchanged for a like aggregate principal amount of Bond of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Bond for a period of 15 days next preceding any selection of the Bond to be redeemed, or (ii) any Bond chosen for redemption.

Notwithstanding anything herein to the contrary, so long as the Bond is owned by the Original Bondowner or a single Owner (i) the Trustee shall pay principal of and interest on the Bond when due by wire transfer in immediately available funds to the Owner in accordance with wire transfer instructions on file with the Trustee as shall be filed by the Owner with the Trustee from time to time; provided if the date for payment is not a Business Day, then such payment shall be made on the Business Day immediately following said payment date, (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bond by the Owner, and (iii) the Trustee shall not be required to give notice to the Owner of any redemption of the Bond pursuant to the Indenture.

The rights and obligations of the City and of the registered owners of the Bond may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY OR CFD FOR WHICH THE CITY OR CFD IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES

REFERENCED HEREIN. THE BOND IS A LIMITED OBLIGATION OF THE CITY PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT IS NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the City of Lathrop, for and on behalf of its City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) has caused this Bond to be dated as of _____, 2018, to be signed on behalf of the City by the Finance Director by his facsimile signature and attested by the facsimile signature of the City Clerk.

Mayor

ATTEST:

City Clerk

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bond described in the within-defined Indenture.

Dated: _____, 2018

UMB, NATIONAL ASSOCIATION, as
Trustee

By: _____
Its: Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution.

NOTE: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**City of Lathrop
Community Facilities District No. 2018-2
(Central Lathrop Specific Plan Facilities)**

COMMUNITY FACILITIES DISTRICT REPORT

On August 13, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") adopted a resolution entitled "Resolution of Intent to Establish a Community Facilities District and Levy a Special Tax" (Resolution No. 18-4440, the "Resolution of Intention"), stating its intention to form (i) "City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities) (the "CFD"). In the Resolution of Intention, the Council expressly ordered the preparation of a written Community Facilities District Report (the "Report") in accordance with the Act.

The Resolution of Intention ordering the Report directs that the Report generally contain the following:

1. A brief description of the Facilities by type which will be required to adequately meet the needs of the CFD; and
2. An estimate of the fair and reasonable cost of the Facilities.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Council.

DESCRIPTION OF FACILITIES. The Mello-Roos Community Facilities Act of 1982 (the "Act") authorizes the creation of a Community Facilities District to finance public facilities, within or of benefit to the land in the district and/or to pay a special tax obligation and thereby provide redemption of indebtedness secured by such special tax. The CFD is proposed to be formed to pay the special tax obligation of the City's Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) (the "2006 CFD") and thereby provide redemption of the City of Lathrop Community Facilities District No. 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) Special Tax Bonds, Series 2006 (the "2006 Bonds").

The facilities authorized for the 2006 CFD and related costs that were financed in whole or in part pursuant to the proceedings for the formation of the 2006 CFD included roadways and related improvements, wastewater system facilities and related improvements, potable water system facilities and related improvements, drainage system facilities and related improvements, recycled water system facilities and related improvements, park and open space facilities, habitat mitigation improvements and other public facilities necessary to meet development requirements. The facilities authorized for the 2006 CFD which were financed by the 2006 Bonds have been completed.

In addition to the above purposes, the CFD may pay or provide financing for all administrative costs as allowed by the Act, including but not limited to costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, all "Administrative Expenses" as set forth in the Rate and Method of

Apportionment of Special Tax for the CFD and all costs otherwise incurred to carry out the authorized purposes of the CFD.

COST ESTIMATE. The cost estimate for the Facilities is \$27,500,000.

Dated as of November 19, 2018.

By: _____



City Finance Director

**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER UNMET TRANSIT NEEDS FOR FY 19-20**

RECOMMENDATION: **City Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Council to Consider Unmet Transit Needs within the City of Lathrop (Transportation Development Act Requirements for Transit Funds)**

SUMMARY:

State law, as presented in the Transportation Development Act (TDA), requires the San Joaquin Council of Governments (SJCOG) to ensure that reasonable transit needs are met before Local Transportation Funds (LTF) are allocated for non-transit purposes, such as street and roadway projects.

If such need exists, a jurisdiction must expend TDA funds to first meet those needs. If no such need exists, the jurisdiction has the option of using these funds for streets and roadway improvements and repairs. Last year's Unmet Transit Needs Report indicated that the City of Lathrop had no unmet transit needs that were reasonable to meet.

Per TDA requirements, in order to continue receiving TDA-derived funds, the jurisdiction must hold a public hearing to assess its Unmet Transit Needs. The purpose of tonight's public hearing is to solicit comments from the public on the unmet transit needs that may exist within the City and that might be reasonable to meet.

BACKGROUND:

The TDA has two funding components: Local Transportation Funds (LTF) and State Transit Assistance Funds (STA). According to the 1970 census, counties with populations under 500,000 have the option of using some or all of their LTF for roads and streets if an unmet needs process is completed, as long as there are no unmet transit needs that are reasonable to meet. If any such needs are found, the jurisdiction must expend TDA funds to meet those needs before any monies may be spent for road and street purposes. TDA requires the jurisdiction to hold a public hearing on "unmet transit needs" in order to continue receiving TDA derived funds.

CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER UNMET TRANSIT
NEEDS

Page 2

The LTF and the STA can be used for three purposes; the funds must be used in the order listed:

- (1) Transit Projects
- (2) Road and Street Projects
- (3) Pedestrian and Bicycle Projects

Examples of projects funded through TDA funds in the City include the Citywide Road Maintenance and Repair Program, Citywide Traffic Calming, Citywide Sidewalk Repair Program, Lathrop Road Grade Separation, and Thomsen Road Improvements.

The primary use of these funds is for transit related items; therefore, in order to continue receiving TDA funds, the City must meet current needs related to transit. Last year, there were no unmet transit needs that were reasonable to meet; therefore, the City of Lathrop continued with the same level of service currently offered at that time.

The purpose of tonight's public hearing is to solicit comments from the public on the unmet transit needs that may exist within the City and that might be reasonable to meet. The information obtained will be verified by SJCOG and can be used to direct changes if found necessary. For example, in order to meet a reasonable need, a change in stops or schedule times could be made for the existing Regional Transit District (RTD) systems operated by San Joaquin County.

Any public or Council Member comments that may be offered during the Public Hearing will be forwarded to SJCOG staff to be included, along with comments from throughout the County, in SJCOG's Annual Report entitled, "Analysis and Determination of Unmet Transit Needs for Fiscal Year."

REASON FOR RECOMMENDATION:

Per TDA requirements, in order to continue TDA-derived funds, the City must hold a public hearing to assess the City's unmet transit needs.

CITY COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

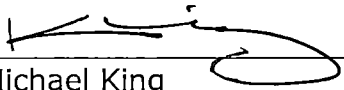
This agenda item promotes Community Values by soliciting comments from the public on the unmet transit needs that may exist within the City and by having SJCOG evaluate those comments.

FISCAL IMPACT:

None at this time.


**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER UNMET TRANSIT
NEEDS**

APPROVALS:



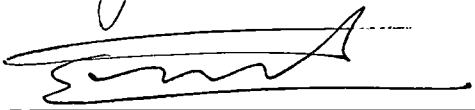
Michael King
Assistant Public Works Director

10-29-18
Date



Cari James
Finance Director

10/31/18
Date



Salvador Navarrete
City Attorney

10-30-18
Date



Stephen J. Salvatore
City Manager

11-5-18
Date

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**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM 6.1

ITEM: MAYOR'S REFERRAL

RECOMMENDATION: Appointment of One (1) Member to the Senior Advisory Commission with Term Expiring June 30, 2019, Due to Unexpired Term Vacancy.

SENIOR ADVISORY COMMISSION – LMC CHAPTER 2.24

Existing Commissioner(s)	Date of Appointment	Reappointment Date	Term Expiration Date
Patricia Bennett	08/15/16	N/A	06/30/19

APPLICANTS FOR CONSIDERATION:

1. Robert Long

OCT 31 2018

RECEIVED

CITY CLERK

COMMISSION/COMMITTEE APPLICATION



OCT 31 2018

CITY CLERK

Applying for: SENIOR ADVISORY COMMISSION

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: ROBERT LONG

Address: [REDACTED] City: LATHROP Zip: 95330

Telephone (home) Telephone (work)

Telephone (cell) [REDACTED] Telephone (other)

Email: [REDACTED] Resident of the City of Lathrop: 8 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [X] No []

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship

Employment/Volunteer Information:

LATHROP YEARLY CELEBRATION JULY 1, 2018

LATHROP H.S. PARKING LOT DIRECTING TRAFFIC FOR PARKING PURPOSES DURING CELEBRATION-BEFORE & A

Responsibilities/accomplishments:

MONTHLY BROWNBAG + COMMODITIES 3 DAYS PER MONTH

LATHROP SENIOR CENTER HELP UNLOAD TRUCK AND SEPERATE FOOD ON TABLE FOR FILLING

Responsibilities/accomplishments: BAGS FOR BROWNBAG + COMMODITIES

Community Activities that you have been involved with (feel free to attach additional pages)

Name of Organization Position/Responsibilities Dates

Name of Organization Position/Responsibilities/Accomplishments Dates

Special Awards or Recognitions you have received:

Educational Information:

Educational Institution Degree/Diploma Field Year

Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing you application.)

I AM VERY INTERESTED IN THE WELL BEING OF THE SENIOR COMMUNITY. HOPEFULLY I CAN PROVIDE SOME IDEAS THAT WILL BENEFIT THE SENIOR COMMUNITY.

Please sign and date you application and submit to the Office of the City Clerk at the address below..

Robert G. Lang Oct 3, 2018
Signature Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330
539

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**CITY MANAGER'S REPORT
NOVEMBER 19, 2018 CITY COUNCIL SPECIAL MEETING**

ITEM: MAYOR'S REFERRAL

RECOMMENDATION: Appointment of One (1) Member to the Planning Commission with Term Expiring June 30, 2019, Due to Unexpired Term Vacancy

PLANNING COMMISSION – LMC CHAPTER 2.12

Existing Commissioner(s)	Date of Appointment	Reappointment Date	Term Expiration Date
Mac Freeman	07/10/07	06/15/15	06/30/19

APPLICANTS FOR CONSIDERATION:

1. Christopher Mateo
2. Irene Espinoza
3. Ajit Singh Sandhu
4. Diana Radonic, MBA
5. Christine Mendes
6. Ash Ralmilay



COMMISSION/COMMITTEE APPLICATION **RECEIVED**

MAR 12 2018

Applying for: Planning Commisjoner

CITY CLERK

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Christopher Mateo

Address: [REDACTED] City: Lathrop Zip: 95330

Telephone (home) [REDACTED] Telephone (work) _____

Telephone (cell) [REDACTED] Telephone (other) _____

Email: [REDACTED] Resident of the City of Lathrop: 10 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? No

If yes, give name and relationship _____

Employment/Volunteer Information:

Councilmember _____

<i>Organization</i>	<i>Date</i>
City of Lathrop	2008-2012

<i>Location</i>	<i>Position(s)</i>

Responsibilities/accomplishments: _____

<i>Organization</i>	<i>Date</i>

<i>Location</i>	<i>Position(s)</i>

Responsibilities/accomplishments: _____

RECEIVED

MAR 19 2018



COMMISSION/COMMITTEE APPLICATION CITY CLERK

Applying for: Planning Commission

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Irene Espinoza
Address: [Redacted] City: Lathrop Zip: 95330
Telephone (home): [Redacted] Telephone (work): [Redacted]
Telephone (cell): [Redacted] Telephone (other):
Email: [Redacted] Resident of the City of Lathrop: 8 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [X] No []

Background Information:

Are you related to a current City Employee? NO
If yes, give name and relationship

Employment/Volunteer Information:

Stanislaus County Dept of Workforce Development 12/2009
Organization Modesto Location Date Position(s) Family Service Specialist / Workforce Consultant

Responsibilities/accomplishments: Program Development and case management for programs and working with individuals reentering the workforce.

Organization Date Location Position(s)

Responsibilities/accomplishments:

Community Activities that you have been involved with (feel free to attach additional pages)

Hope Family Shelter	Volunteer	provide employment workshops	2017-present
Lathrop Elementary	Parent Involvement Volunteer	classroom presentations parent presentations school functions	2007-present

Special Awards or Recognitions you have received:

Educational Information:

University of the Pacific	B.S. Organizational Behavior	2007
Merritt College	A.A. Social & Behavior Science	2001

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

I take with great pleasure and appreciation in submitting this application. As a resident, I would like to be part of a commission that continues to improve the quality of development. My interest has continued in preserving the character of residential neighborhoods and what better way to do so by joining the Planning Commission. It would be my pleasure to sit in serving my great community accompanied with my lifelong interest in urban planning.

Please sign and date your application and submit to the Office of the City Clerk at the address below.

[Signature]
Signature

3/16/2018
Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

APR 10 2018



COMMISSION/COMMITTEE APPLICATION

CITY CLERK

Applying for: Parks & Recreation Commission
Planning Commission

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: AJIT SINGH SANDHU

Address: [REDACTED] City: LATHROP Zip: 95330

Telephone (home) [REDACTED] Telephone (work) [REDACTED]

Telephone (cell) [REDACTED] Telephone (other) [REDACTED]

Email: [REDACTED] Resident of the City of Lathrop: 9 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? NA

If yes, give name and relationship _____

Employment/Volunteer Information:

Organization: An Independent representative of Primerica Life Ins. Coy. Date: _____

Location: 4707 Greenleaf Ct. Suite 1 Modesto. 95356 Position(s): DIVISION LEADER

Responsibilities/accomplishments: An Independent representative of Primerica Financial Services Marketing INC

Organization: _____ Date: _____

Location: _____ Position(s): _____

Responsibilities/accomplishments: _____

Community Activities that you have been involved with (feel free to attach additional pages)

① Sikh Temple Fairfield Secy 2006-2007

Name of Organization Position/Responsibilities Dates

member of Memorial/veteran's Day Committee Lathrop
 2 Sports club Selaw County Adviser Since 2002

Name of Organization Position/Responsibilities/Accomplishments Dates

③ Loin club member Lathrop, Parks & Recreation Commissioner
 Special Awards or Recognitions you have received:
 Life time achievement award in the field of
 Water sport, Appreciation letters by city Council
 Lathrop

Educational Information:

INDIA - Punjab BA Public Administration 1971
 Educational Institution Degree/Diploma Field Year

NIS INDIA Punjab NIS Field Hockey 1972
 Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

Civil Defence, Self Defence, Fire fighting
 & Different Sport as cultural activity. I have
 been taking part to arrange camp for Blood
 Drive, Food Drive, Fund raising & other community
 activity.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Signature Aardh

Date 04-10-2018

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION RECEIVED

MAY 08 2018

Applying for: Planning Committee

Measure C Committee

CITY OF LATHROP
MANAGER'S OFFICE

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Diana Radonic, MBA

Address: [REDACTED] City: Lathrop Zip: 95330

Telephone (home) [REDACTED] Telephone (work) [REDACTED]

Telephone (cell) [REDACTED] Telephone (other) _____

Email: [REDACTED] Resident of the City of Lathrop: 1986 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? N/A

If yes, give name and relationship N/A

Employment/Volunteer Information:

California Health Care Facility, Corrections 2013 - current
Organization Date

9707 S. Austin Road, Stockton Staff Service Manager
Location Position(s)

Responsibilities/accomplishments: Responsible for CHCF - Patient Inmate
budgets, contracts, procurement, inventory.

Department of Developmental Services 2006 - 2013
Organization Date

9th Street, Sacramento, CA Community Program Specialist II
Location Position(s)

Responsibilities/accomplishments: Monitored and had oversight of licensed
residential Intermediate Care Facilities, approved program
plans for facilities that provide services to developmentally
delayed persons.

Community Activities that you have been involved with (feel free to attach additional pages)

Valley Mountain Regional Center, Community Liaison 1995 - 2006
 Name of Organization Position/Responsibilities Dates

Ad QA Consultation, owner, business plans for new 2002 - current
 Name of Organization Position/Responsibilities/Accomplishments Dates

Special Awards or Recognitions you have received: CMS - Certificate for auditing the intermediate care facilities,

Educational Information:

University of Phoenix Master Degree Business Administration 2007
 Educational Institution Degree/Diploma Field Year

Humphreys College B.S. Paralegal Studies 1997
 Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

I developed the admissions and discharge unit at the CHCF-PIP
 I am the chair of the Forms Review Committee since 2014
 I had monitored and was instrumental in the opening of many licensed residential facilities. I have extensive knowledge of local, state & federal regulation and how to access them. I worked with many entities in the community, state & federal level throughout my career.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Diana Palonic MEd 5/8/2018
 Signature Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

Applying for: Lathrop Planning Commission

RECEIVED

NOV 05 2018

CITY CLERK

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Christine Mendes
Address: [redacted] City: Manteca Zip: 95337
Telephone (home) [redacted] Telephone (work) [redacted]
Telephone (cell) [redacted] Telephone (other) [redacted]
Email: [redacted] Resident of the City of Lathrop: 7 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [checked] No []

Background Information:

Are you related to a current City Employee? No
If yes, give name and relationship

Employment/Volunteer Information:

Retired 12/31/2016
Organization Date
Location Position(s)

Responsibilities/accomplishments: Gardening, grandchildren, actively review City of Lathrop Planning and Development through the City of Lathrop website, newspaper articles and attending meetings

Owner of Curves 11/1/01 thru 12/31/16
Organization Date
Lathrop, Manteca, Central Stockton, Weston Ranch CEO and Owner
Location Position(s)

Responsibilities/accomplishments: Human Resources for 24+ employees, Payroll, Accounts Receivable and Payable, Advertising, Coaching members, active small business owner



COMMISSION/COMMITTEE APPLICATION

Applying for: Planning Commission

RECEIVED
11/10/07
CITY CLERK

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Ash Ralmilay
Address: [redacted] City: Lathrop Zip: 95330
Telephone (home) [redacted] Telephone (work) [redacted]
Telephone (cell) [redacted] Telephone (other)
Email: [redacted] Resident of the City of Lathrop: 12 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [x] No []

Background Information:

Are you related to a current City Employee? No
If yes, give name and relationship

Employment/Volunteer Information:

HomeSmart PV and Associates 2017 - Present
Organization Date
301 Banner Ct, Ste 3, Modesto, CA 95361 Realtor
Location Position(s)

Responsibilities/accomplishments: Guide and assist sellers and buyers in selling/purchasing property for the right price under the best terms. Intermediate negotiation processes, consult clients on market conditions.

Allison James Estates & Homes 2015 - 2017
Organization Date
210 S Sierra Ave Ste 6, Oakdale, CA 95361 Realtor
Location Position(s)

Responsibilities/accomplishments: Guide and assist sellers and buyers in selling/purchasing property for the right price under the best terms. Intermediate negotiation processes, consult clients on market conditions.

Continue...**Community Activities** (additional page)

Lathrop Run Committee	Member/Plan and execute Lathrop Run 2K, 5K or 10K	2012 - 2103
<i>Name of Organization</i>	<i>Position/Responsibilities/Accomplishments</i>	<i>Dates</i>

Lions Clubs International	Member/Help and support local community	2011 - Present
<i>Name of Organization</i>	<i>Position/Responsibilities/Accomplishments</i>	<i>Dates</i>

Community Activities that you have been involved with (feel free to attach additional pages)

Parks & Recreation - City of Lathrop	Commissioner/Chair	2010 - 2013, 2014 - 2016
<i>Name of Organization</i>	<i>Position/Responsibilities</i>	<i>Dates</i>
Renaming Committee	Member/Rename - East Lathrop Community Complex	2012 - 2013
<i>Name of Organization</i>	<i>Position/Responsibilities/Accomplishments</i>	<i>Dates</i>

Special Awards or Recognitions you have received: Master Club Achiever in 2015 and 2016 at Central Valley Association of Realtors, recognized as one of the 10 Best Real Estate Agents in client satisfaction in 2017 by American Institute of Real Estate Agents.

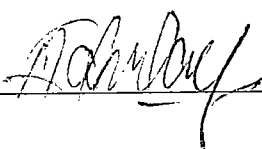
Educational Information:

Punjab University	Bachelor of Science	Engineering	1984
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

I would very much like to continue to be involved in community services in Lathrop as a volunteer. My previous experiences with the city of Lathrop will help me to better serve the community and the Planning Commission. I have 8+ year of experience in real estate and 20+ years of experience in the semi-conductor industry/contract manufacturing, focused on engineering, management, and consistent success in achieving revenue, cost, productivity, and goals. I would like to see the city of Lathrop thrive and contribute to its growth, and like Lathrop to continue to improve for the betterment of the citizens.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Signature  Date 11/07/18

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

**City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330**