$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CLOSING MEMORANDUM

Time and Place

The pre-closing will take place at the offices of Stradling Yocca Carlson & Rauth, 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660 at 1:00 p.m. on Tuesday July 29, 2014. Closing will take place at 8:00 a.m., on Wednesday, July 30, 2014, via telephone.

Parties

District	Gloriette Genereux, Director of Finance Jim Holgersson, Interim City Manager and District Administrator Tina Rocha, Administrator – Infrastructure Financing Programs
District's Counsel	Adam Lindgren, Esq. City Attorney
Financial Advisor	Peter Miller, Managing Director Samuel Becerra, Senior Managing Consultant Kevin Dong, Analyst Public Financial Management, Inc.
Bond Counsel	Bradley R. Neal, Esq. Carol L. Lew, Esq. Lawrence Chan, Esq. Stradling Yocca Carlson & Rauth
Underwriter	Ralph J. Holmes, Managing Director Dane Kopinski, Associate Stifel, Nicolaus & Company, Incorporated
Underwriter's Counsel	Jeff A. Stava, Esq. Nossaman LLP
Trustee and Escrow Bank	Jacqueline M. Nowak, Vice President Eladia Burgos, Vice President The Bank of New York Mellon Trust Company, N.A.
Trustee's Counsel	Samuel D. Waldman, Esq. Law Offices of Samuel D. Waldman

Special Tax Consultant	Susan Goodwin, Managing Principal Andrew Bavender, Associate Goodwin Consulting Group, Inc.
Rating Agency	Kathleen Burroughs, Associate Director Kaiti Wang Standard & Poor's Ratings Services
Verification Agent	Joel Melstrom Grant Thornton LLP
Bond Insurer	Stephanie Cain Assured Guaranty Municipal Corp.

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CLOSING INDEX

DOCUMENTS TO BE DELIVERED BY THE COMMUNITY FACILITIES DISTRICT/CITY

1. Resolution No. 2014-272 entitled, "Resolution of the City Council of the City of Modesto Authorizing the Issuance of City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds, in an Aggregate Principal Amount of Not to Exceed $31,000,000, Authorizing the Execution and Delivery of an Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and an Escrow Agreement Authorizing the Distribution of an Official Statement in Connection Therewith and Authorizing the Execution of Necessary Documents and Certificates and Related Actions," adopted July 1, 2014; Minutes.

2. Bond Indenture

3. Escrow Agreement

4. Continuing Disclosure Agreement

5. CDIAC Report of Proposed Debt Issuance, Acknowledgment from CDIAC and Report of Final Sale

6. Certificate as to Finality of the Preliminary Official Statement

7. Incumbency and Signature Certificate of the City/Community Facilities District

8. Certificate of the City Clerk of the City Bringing Forward Resolutions and Ordinances

9. Certificate of City Clerk Regarding Community Facilities District Documents

10. Closing Certificate of the City

11. Instructions to Trustee

12. Requisition No. 1 for Disbursement of Costs of Issuance

13. Irrevocable Instructions and Request to Trustee

14. Tax Certificate together with Certificate of the Underwriter; IRS Form 8038-G

15. Uniform Facsimile Signature Filings of the Mayor and City Clerk

16. DTC Blanket Issuer Letter of Representations

17. Specimen Bond

DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE SALE OF THE BONDS

18. Bond Purchase Agreement

19. Preliminary Official Statement

20. Official Statement

21. Underwriter's Receipt for the Bonds

DOCUMENTS TO BE DELIVERED BY THE TRUSTEE AND ESCROW BANK

22. Assistant Secretary's Certificate

23. Closing Certificate of Trustee/Escrow Bank

24. Trustee's Receipt for Proceeds

25. Escrow Bank's Receipt of Proceeds

26. Evidence of EMMA Filing Notices of Full Optional Redemption

OPINIONS

27. Approving Opinion of Bond Counsel

28. Reliance Letter to Trustee and Bond Insurer

29. Supplemental Opinion of Bond Counsel

30. Letter of Disclosure Counsel

31. Defeasance Opinion

32. Opinion of City Attorney

33. Opinion of Counsel to the Underwriter

34. Opinion of Counsel to Trustee and Escrow Bank

35. Opinion of Counsel to Bond Insurer

DOCUMENTS TO BE DELIVERED BY THE BOND INSURER

36. Specimen Municipal Bond Insurance Policy

37. Closing Certificate of the Bond Insurer

38. 15c2-12 Certificate of Bond Insurer

39. Insured Rating Letter

MISCELLANEOUS

40. Underlying Rating Letter

41. Certificate of Special Tax Consultant/Dissemination Agent

42. Certificate of Financial Advisor

43. Verification Report

44. Evidence of EMMA Filing of Notice of Defeasance

45. Distribution List

DOCUMENTS RE FORMATION OF COMMUNITY FACILITIES DISTRICT AND ANNEXATION PROCEEDINGS

46. Resolution No. 2004-127 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein," adopted March 2, 2004.

47. Resolution No. 2004-128 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Incur a Bonded Indebtedness In an Amount not to Exceed $75,000,000 Within Proposed City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted March 2, 2004.

48. Resolution No. 2004-199 entitled, "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes Within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District," adopted April 6, 2004.

49. Resolution No. 2004-200 entitled, "A Resolution Of The City Council Of The City Of Modesto Determining The Necessity To Incur A Bonded Indebtedness Within Proposed City Of Modesto Community Facilities District No. 2004-1 (Village One #2) And Calling An Election For The Purpose Of Submitting The Proposition To The Qualified Electors Of The District," adopted April 6, 2004. Resolution No. 2004-201 entitled "A Resolution of the City Council of the City of Modesto Canvassing the Results of the April 6, 2004, Election Held Within City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted April 6, 2004.

50. Ordinance No. 3345-C.S. entitled, "An Ordinance of the City Council of the City of Modesto Authorizing the Levy of Special Taxes Within City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted April 6, 2004.

51. Resolution No. 2004-592 entitled, "A Resolution of the City Council of the City of Modesto Declaring the Official Intent of the City to be Reimbursed for Certain Capital Expenditures from the Proceeds of Indebtedness," adopted November 9, 2004.

52. Resolution No. 2004-681 entitled, "A Resolution of the City Council of the City of Modesto Clarifying Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2)," adopted December 14, 2004.

53. Resolution No. 2004-683 entitled, "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of Apportionment of Special Taxes for the District," adopted December 14, 2004.

54. Resolution No. 2005-566 entitled, "A Resolution of the City Council of the City of Modesto Regarding the Consolidation of Boundary Maps Related to Community Facilities District No. 2004-1 (Village One #2)," adopted November 9, 2004.

55. Ordinance No. 3392-C.S. entitled, "An Ordinance of the City Council of the City of Modesto Amending Ordinance No. 3345-C.S. Entitled, 'An Ordinance of the City Council of the City of Modesto Authorizing the Levy of Special Taxes Within City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted July 12, 2005.

56. Petition – Requesting the Institution of Proceedings for the Establishment of a Community Facilities District, dated February 23, 2004.

57. Landowner Waivers (3).

58. Declaration of Publication Regarding Notice of Public Hearing on the Establishment of Community Facilities District – The Modesto Bee, dated March 30, 2004.

59. Declaration of Publication Regarding Ordinance – The Modesto Bee, dated April 12, 2004.

60. Certificate of City Clerk Regarding Posting of Ordinance, dated June 8, 2004.

61. CFD Report, dated March 31, 2004 as updated on December 10, 2004.

62. Certificate of Registrar of Voters of the County of Stanislaus, dated April 5, 2004.

63. Certificate of County Assessor of the County of Stanislaus, dated April 6, 2004.

64. Certificate of City Clerk as to Distribution of Official Ballots, dated March 24, 2004.

65. Official Ballots and Landowner Authorizations (3).

66. Certificate of City Clerk – Canvass of Election, dated April 7, 2004.

67. Notice of Special Tax Lien for City of Modesto Community Facilities District No. 2004-1 (Village One #2), as recorded April 16, 2004.

68. Evidence of Recordation of the Consolidated District Map.

Documents Re: Annexation No. 1

69. Resolution No. 2004-146 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein [Annexation #1]," adopted March 23, 2004.

70. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated April 27, 2004.

71. Certificate of County Assessor of the County of Stanislaus.

72. Certificate of Registrar of Voters of the County of Stanislaus, dated May 3, 2004.

73. Landowner Waivers (2).

74. Certificate of City Clerk as to Distribution of Official Ballots, dated April 22, 2004. (Sidley/District)

75. Resolution No. 2004-246A entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 1)," adopted May 4, 2004.

76. Official Ballots and Landowner Authorizations (2).

77. Resolution No. 2004-246 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the May 4, 2004, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 1)," adopted May 4, 2004.

78. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 1), as recorded May 12, 2004.

Documents Re: Annexation No. 2

79. Resolution No. 2004-249 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein [Annexation No. 2]," adopted May 11, 2004.

80. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated June 14, 2004.

81. Certificate of County Assessor of the County of Stanislaus, dated June 21, 2004.

82. Certificate of Registrar of Voters of the County of Stanislaus, dated June 21, 2004.

83. Landowner Waivers (2).

84. Certificate of City Clerk as to Distribution of Official Ballots, dated June 10, 2004.

85. Resolution No. 2004-326 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 2)," adopted June 22, 2004.

86. Official Ballots and Landowner Authorizations (2).

87. Resolution No. 2004-327 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the June 22, 2004, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Ordering Annexation of the Territory to the District (Annexation No. 2)," adopted May 4, 2004.

88. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 2), as recorded June 28, 2004.

Documents Re: Annexation No. 3

89. Resolution No. 2004-409 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One 42) and to Authorize the Levy of Special Taxes Therein (Annexation No. 3)," adopted August 10, 2004.

90. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated September 4, 2004.

91. Certificate of County Assessor of the County of Stanislaus, dated August 13, 2004.

92. Certificate of Registrar of Voters of the County of Stanislaus, dated August 23, 2004.

93. Landowner Waiver.

94. Certificate of City Clerk as to Distribution of Official Ballots, dated September 8, 2004.

95. Resolution No. 2004-466 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 3)," adopted September 14, 2004.

96. Official Ballot and Landowner Authorization.

97. Resolution No. 2004-467 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the September 14, 2004, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) and ordering Annexation of the Territory to the District (Annexation No. 3)," adopted September 14, 2004.

98. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 3), as recorded September 27, 2004.

Documents Re: Annexation No. 4

99. Resolution No. 2004-458 entitled, "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 4)," adopted September 14, 2004.

100. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated October 9, 2004.

101. Certificate of County Assessor of the County of Stanislaus, dated October 12, 2004.

102. Certificate of Registrar of Voters of the County of Stanislaus, dated October 18, 2004.

103. Landowner Waivers (2).

104. Certificate of City Clerk as to Distribution of Official Ballots, dated October 20, 2004.

105. Resolution No. 2004-569 entitled, "A Resolution Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 4)," adopted October 26, 2004.

106. Official Ballots and Landowner Authorizations (2).

107. Resolution No. 2004-570 entitled, "A Resolution Canvassing the Results of the October 26, 2004, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 4)," adopted October 26, 2004.

108. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 4), as recorded October 28, 2004.

Documents Re: Annexation No. 5

109. Resolution No. 2004-545 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 5)," adopted October 26, 2004.

110. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated November 11, 2004.

111. Certificate of County Assessor of the County of Stanislaus, dated November 12, 2004.

112. Certificate of Registrar of Voters of the County of Stanislaus, dated November 22, 2004.

113. Landowner Waivers (2).

114. Certificate of City Clerk as to Distribution of Official Ballots, dated December 7, 2004.

115. Resolution No. 2004-679 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 5)," adopted December 14, 2004.

116. Official Ballots and Landowner Authorizations (2).

117. Resolution No. 2004-680 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the December 14, 2004, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 5)," adopted December 14, 2004.

118. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 5), as recorded December 17, 2004.

Documents Re: Annexation No. 6

119. Resolution No. 2005-011 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 6)," adopted January 4, 2005.

120. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated February 15, 2005.

121. Certificate of County Assessor of the County of Stanislaus, dated January 12, 2005.

122. Certificate of Registrar of Voters of the County of Stanislaus, dated January 24, 2005.

123. Landowner Waiver.

124. Certificate of City Clerk as to Distribution of Official Ballots, dated February 4, 2005.

125. Resolution No. 2005-116 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 6)," adopted February 22, 2005.

126. Official Ballot and Landowner Authorization.

127. Resolution No. 2005-117 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the February 22, 2005, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 6)," adopted February 22, 2005.

128. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 6), as recorded March 9, 2005.

Documents Re: Annexation No. 7

129. Resolution No. 2005-073 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 7)," adopted February 1, 2005.

130. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated May 28, 2005.

131. Certificate of County Assessor of the County of Stanislaus, dated May 9, 2005.

132. Certificate of Registrar of Voters of the County of Stanislaus, dated May 16, 2005.

133. Landowner Waiver.

134. Certificate of City Clerk as to Distribution of Official Ballots, dated June 9, 2005.

135. Resolution No. 2005-312 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 7)," adopted June 14, 2005.

136. Official Ballot and Landowner Authorization.

137. Resolution No. 2005-313 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the June 14, 2005, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 7)," adopted June 14, 2005.

138. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 7), as recorded June 29, 2005.

Documents Re: Annexation No. 8

139. Resolution No. 2005-320 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 8)," Adopted June 28, 2005.

140. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated July 22. 2005.

141. Certificate of County Assessor of the County of Stanislaus, dated July 22, 2005.

142. Certificate of Registrar of Voters of the County of Stanislaus, dated July 21, 2005.

143. Landowner Waivers (2).

144. Certificate of City Clerk as to Distribution of Official Ballots, dated August 11, 2005.

145. Resolution No. 2005-454 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 8)," adopted September 6, 2005.

146. Official Ballots and Authorizations (2).

147. Resolution No. 2005-455 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the September 6, 2005, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 8)," adopted September 6, 2005.

148. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 8), as recorded September 8, 2005.

Documents Re: Annexation No. 9

149. Resolution No. 2005-424 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 9)," adopted September 6, 2005.

150. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated September 20, 2005.

151. Certificate of County Assessor of the County of Stanislaus, dated September 19, 2005.

152. Certificate of Registrar of Voters of the County of Stanislaus, dated September 20, 2005.

153. Landowner Waivers (7).

154. Certificate of City Clerk as to Distribution of Official Ballots, dated October 3, 2005.

155. Resolution No. 2005-522 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 9)," adopted October 11, 2005.

156. Official Ballots and Landowner Authorizations (6).

157. Resolution No. 2005-523 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the October 11, 2005, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 9)," adopted October 11, 2005.

158. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 9), as recorded October 18, 2005.

Documents Re: Annexation No. 10

159. Resolution No. 2005-456 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 10)," adopted September 13, 2005.

160. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated October 1, 2005.

161. Certificate of County Assessor of the County of Stanislaus, dated September 20, 2005.

162. Certificate of Registrar of Voters of the County of Stanislaus, dated September 26, 2005.

163. Landowner Waiver.

164. Certificate of City Clerk as to Distribution of Official Ballots, dated November 1, 2005.

165. Resolution No. 2005-562 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 10)," adopted November 9, 2005.

166. Official Ballot and Authorization.

167. Resolution No. 2005-563 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the November 9, 2005, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 10)," adopted November 9, 2005.

168. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 10), as recorded December 16, 2005.

169. Landowner Waiver of Late Filing of Amendment to Notice of Special Tax Lien, dated January 12, 2006.

Documents Re: Annexation No. 11

170. Resolution No. 2006-066 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 11)," adopted February 7, 2006.

171. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated March 4, 2006.

172. Certificate of County Assessor of the County of Stanislaus, dated February 16, 2006.

173. Certificate of Registrar of Voters of the County of Stanislaus, dated February 27, 2006

174. Landowner Waiver.

175. Certificate of City Clerk as to Distribution of Official Ballots, dated March 1, 2006.

176. Resolution No. 2006-152 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 11)," adopted March 14, 2006.

177. Official Ballot and Authorization.

178. Resolution No. 2006-153 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the March 14, 2006, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 11)," adopted March 14, 2006.

179. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 11), as recorded March 21, 2006.

Documents Re: Annexation No. 12

180. Resolution No. 2006-228 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 12)," adopted April 25, 2006.

181. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated June 3, 2006.

182. Certificate of County Assessor of the County of Stanislaus, dated May 10, 2006.

183. Certificate of Registrar of Voters of the County of Stanislaus, dated May 18, 2006

184. Landowner Waiver.

185. Certificate of City Clerk as to Distribution of Official Ballots, dated May 31, 2006.

186. Resolution No. 2006-379 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 12)," adopted June 13, 2006.

187. Official Ballot and Authorization.

188. Resolution No. 2006-380 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the June 13, 2006, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 12)," adopted June 13, 2006.

189. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 12), as recorded June 16, 2006.

Documents Re: Annexation No. 13

190. Resolution No. 2006-528 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 13)," adopted September 5, 2006.

191. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated September 30, 2006.

192. Certificate of County Assessor of the County of Stanislaus, dated September 26, 2006.

193. Certificate of Registrar of Voters of the County of Stanislaus, dated September 28, 2006

194. Landowner Waiver.

195. Certificate of City Clerk as to Distribution of Official Ballots, dated October 16, 2006.

196. Resolution No. 2006-688 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13)," adopted October 24, 2006.

197. Official Ballot and Authorization.

198. Resolution No. 2006-689 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the October 24, 2006, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 13)," adopted October 24, 2006.

199. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 13), as recorded October 30, 2006.

Documents Re: Annexation No. 14

200. Resolution No. 2008-298 entitled, "A Resolution of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes Therein (Annexation No. 14)," adopted May 27, 2008.

201. Declaration of Publication Regarding Notice of Public Hearing – The Modesto Bee, dated June 19, 2008.

202. Certificate of County Assessor of the County of Stanislaus, dated June 19, 2008.

203. Certificate of Registrar of Voters of the County of Stanislaus, dated June 2, 2008

204. Landowner Waiver.

205. Certificate of City Clerk as to Distribution of Official Ballots, dated July 1, 2008.

206. Resolution No. 2008-403 entitled, "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 14)," adopted July 1, 2008.

207. Official Ballot and Authorization.

208. Resolution No. 2008-404 entitled, "A Resolution of the City Council of the City of Modesto Canvassing the Results of the July 1, 2008, Election Held Within the Territory Proposed to be Annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), and ordering Annexation of the Territory to the District (Annexation No. 14)," adopted July 1, 2008.

209. Amendment to Notice of Special Tax Lien (Notice of Annexation No. 14), as recorded July 2, 2008.

MODESTO CITY COUNCIL
RESOLUTION NO. 2014-272

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO AUTHORIZING THE ISSUANCE OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) 2014 SPECIAL TAX REFUNDING BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $31,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW AGREEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City Council (the "City Council") of the City of Modesto (the "City") has formed the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act");

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the "Special Taxes") to pay for the costs of certain public facilities (the "Facilities") and to issue bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District previously issued its City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Tax Bonds, Series 2006 (the "Prior Bonds"), in the aggregate principal amount of $31,085,000;

WHEREAS, the Community Facilities District is authorized under the Act to issue bonds payable from the Special Taxes in order to refund the Prior Bonds;

WHEREAS, the Community Facilities District desires to refund the Prior Bonds;

WHEREAS, in order to provide a portion of the moneys required to refund the Prior Bonds, the Community Facilities District proposes to issue its City of Modesto

Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Series 2014 Bonds"), in the aggregate principal amount of not to exceed $31,000,000;

WHEREAS, in order to provide for the authentication and delivery of the Series 2014 Bonds, to establish and declare the terms and conditions upon which the Series 2014 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Indenture");

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Series 2014 Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Purchase Agreement");

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2014 Bonds, the underwriter thereof must have reasonably determined that the Community Facilities District has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Series

2014 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the Community Facilities District desires to enter into a Continuing Disclosure Agreement with the Goodwin Consulting Group, Inc., as dissemination agent (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Continuing Disclosure Agreement");

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2014 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement");

WHEREAS, in order to provide for the redemption of the Prior Bonds, the Community Facilities District desires to enter into an Escrow Agreement, by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (the "Escrow Agreement");

WHEREAS, there have been prepared and submitted to this meeting forms of:

(a) the Indenture;

(b) the Purchase Agreement;

(c) the Continuing Disclosure Agreement;

(d) the Preliminary Official Statement; and

(e) the Escrow Agreement;

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2014 Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2014 Bonds; and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

NOW, THEREFORE, the City Council of the City of Modesto, acting as the legislative body of City of Modesto Community Facilities District No. 2004-1 (Village One #2), does hereby resolve, determine, and order as follows:

The foregoing recitals are true and correct, and the City Council so finds and determines.

Subject to the provisions of Section 3 hereof, the issuance of the Series 2014 Bonds, in an aggregate principal amount of not to exceed $31,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Series 2014 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

The refunding of the Prior Bonds is hereby approved. Such refunding shall be accomplished by paying the interest due and payable on the Prior Bonds to and including September 1, 2014 and redeeming the Prior Bonds on September 1, 2014 by paying the redemption price thereof. In accordance with Section 53363.8 of the Act, the Legislative

Body hereby designates the following costs and expenses as the "designated costs of issuing the Bonds:"

(i) all expenses incident to the calling, retiring, or paying of the Prior Bonds and incident to the issuance of the Series 2014 Bonds, including the charges of any agent in connection with the issuance of the Series 2014 Bonds or in connection with the redemption or retirement of the Prior Bonds;

(ii) the interest upon the Prior Bonds from the date of sale of the Series 2014 Bonds to the date upon which the Prior Bonds will be paid pursuant to call; and

(iii) any premium necessary in the calling or retiring of the Prior Bonds.

The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager of the City and the Director of Finance of the City, and such other officer or employee of the City as the City Manager may designate (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2014 Bonds in excess of $31,000,0000, shall not result in a final maturity date of beyond the last maturity date of the Prior Bonds and shall not result in a true interest cost for the Series 2014 Bonds in excess of the true interest cost of the Prior Bonds.

The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Series 2014 Bonds in excess of 0.70% of the aggregate principal amount of the Series 2014 Bonds. The City Council hereby finds and determines that the sale of the Series 2014 Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Notwithstanding the preceding provisions of this section or any other section of this resolution, the Series 2014 Bonds shall not be issued and sold to refund the Prior Bonds unless (a) the interest rates which will be contained in the Purchase Agreement with respect to the Series 2014 Bonds will result in a net present value savings in total debt service with respect to the outstanding Prior Bonds of at least three percent (3%).

The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community

Facilities District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2014 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Community Facilities District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Series 2014 Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

The Escrow Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Escrow Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Escrow Agreement by such Authorized Officer.

The City Manager or the Director of Finance is authorized to select a municipal bond insurer to insure payments of the principal of and interest on the Series 2014 Bonds so long as the City Manager or the Director of Finance determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Series 2014 Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Continuing Disclosure Agreement, the Purchase Agreement, the Escrow Agreement, the Preliminary Official Statement and the final Official Statement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

The Authorized Officers and the officers and employees of the City are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

All actions heretofore taken by the officers and employees of the City with respect to the issuance and sale of the Series 2014 Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

This Resolution shall take effect immediately upon its adoption.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto, acting as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2), held on the 1st day of July, 2014, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Gunderson, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Cogdill, Gunderson, Kenoyer, Lopez, Madrigal, Zoslocki, Mayor Marsh
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: _____
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
ADAM LINDGREN, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE July 23, 2014
_____
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

MODESTO
CALIFORNIA

MODESTO CITY COUNCIL

www.modestogov.com

MINUTES

City of Modesto

CITY COUNCIL MEETING

Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California
Tuesday July 01, 2014, at 5:30 p.m.

Roll Call – Present: Councilmembers Cogdill, Gunderson, Kenoyer, Lopez, Madrigal, Zoslocki, Mayor Marsh
Absent: None

Pledge of Allegiance to the Flag

Invocation: Jeremy Thiessen, Shelter Cove Community Church

City Clerk's Announcements: Item 7 - Removed from Consent

Declaration of Conflicts of Interest: None

Reports from Closed Session: City Attorney Lindgren reported on Closed Session matter

PUBLIC COMMENT PERIOD

- Louisa Bryant spoke regarding water conservation at the Stoney Brook Apartments and the Public Works Department.
- Carmen Sabatino spoke regarding the Convention & Visitors Bureau Board appointments by Councilmembers and the Transient Occupancy Tax.
- Jeremiah Williams, Chairman, announced the 4th of July Parade on Friday morning.

- Cecil Russell spoke regarding the history of the Chamber of Commerce and Convention & Visitors Bureau.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED
ACTION CONSENT ITEMS 1-6; 8-10: (Lopez/Madrigal;unan.)
ACTION CONSENT ITEM 7: (Lopez/Madrigal;unan.)

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

Consent

1. Consider approving the minutes from the June 24, 2014 City Council meeting. (Funding Source: Not Applicable)
   - Motion approving the minutes from the June 24, 2014 City Council meeting.

   City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: Motion (Lopez/Madrigal; 7/0) approving the minutes from the June 24, 2014 City Council meeting.

Consent

2. Consider authorizing the purchase of one John Deere 35G compact excavator for the Public Works Department, Water Division, through the Fleet Services Division, by "accessing the terms" of a competitively bid contract with the State of California, Department of General Services, California Multiple Award Schedules (CMAS) to Pape Machinery, French Camp, CA, for an estimated total cost of $58,114. (Funding Source: Water Fund)
   - Resolution authorizing the purchase of one John Deere 35G compact excavator for the Public Works Department, Waster Division, through the Fleet Services Division, by "accessing the terms" of a competitively bid contract with the State of California, Department of General Services, California Multiple Award Schedules (CMAS) to Pape Machinery, French Camp, CA, and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total cost $58,114.

   Finance and Public Works; Meagan Torres, 571-5839, mtorres@modestogov.com

ACTION: Resolution 2014-257 (Lopez/Madrigal; 7/0) authorizing the purchase of one John Deere 35G compact excavator for the Public Works Department, Waster Division, through the Fleet Services Division, by "accessing the terms" of a competitively bid contract with the State of California, Department of General Services, California Multiple Award Schedules (CMAS) to Pape Machinery, French Camp, CA, and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total cost $58,114.

Consent

3. Consider authorizing the purchase of four (4) half-ton pickup trucks for various Divisions through the Public Works Department, Fleet Services Division, by "accessing the terms" of a competitively bid contract with the County of Alameda to Albany Ford, Albany, CA, for an estimated total cost of $93,102. (Funding Source: Fleet Replacement Fund)
   - Resolution authorizing the purchase of four (4) half-ton pickup trucks for various Divisions through the Public Works Department, Fleet Services Division, by "accessing the terms" of a competitively bid contract with the County of Alameda to Albany Ford, Albany, CA, and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total cost $93,102.

   Finance and Public Works; Meagan Torres, 571-5839, mtorres@modestogov.com

ACTION: Resolution 2014-258 (Lopez/Madrigal; 7/0) authorizing the purchase of four (4) half-ton pickup trucks for various Divisions through the Public Works Department, Fleet Services Division, by "accessing the terms" of a competitively bid contract with the County of Alameda to Albany Ford, Albany, CA, and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total cost $93,102.

Consent

4. Consider accepting the 2013 Assistance to Firefighters Grant Award for Personal Protective Equipment for awarded funding of $91,613. (Funding Source: Grant funds)
   - Resolution approving the acceptance of the 2013 Assistance to Firefighters Grant Award for Personal Protective Equipment and authorizing the Fire Chief, or his designee, to execute all grant-related documents.

   Fire; Kristin Reffalt, 552-3716, kreffalt@modestorfa.org

ACTION: Resolution 2014-259 (Lopez/Madrigal; 7/0) approving the acceptance of the 2013 Assistance to Firefighters Grant Award for Personal Protective Equipment and authorizing the Fire Chief, or his designee, to execute all grant-related documents.

Consent

5. Consider authorizing the sole source procurement for the purchase of a RoboteX Avatar III remote control tactical robot and accessories, for mission requirements needed by the Modesto Police Department, to RoboteX, Inc., Sunnyvale, CA, for an estimated total cost of $59,065. (Funding Source: General Fund)
   - Resolution authorizing the award of a sole source procurement for the purchase of a RoboteX Avatar III remote control tactical robot and accessories, for mission requirements needed by the Modesto Police Department, to RoboteX, Inc., Sunnyvale, CA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $59,065.

   Police; Rick Armendariz, 342-6142, armendarizr@modestopd.com

ACTION: Resolution 2014-260 (Lopez/Madrigal; 7/0) authorizing the award of a sole source procurement for the purchase of a RoboteX Avatar III remote control tactical robot and accessories, for mission requirements needed by the Modesto Police Department, to RoboteX,

Inc., Sunnyvale, CA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $59,065.

Consent

6. Consider authorizing the sole source procurement for the purchase of a Spacesaver High Density Mobile Storage System to store property taken as evidence and stored within the Evidence and Property facility, to Systems & Space, Inc., Pleasanton, CA, for an estimated total cost of $111,554. (Funding Source: General Fund)
   - Resolution authorizing the award of a sole source procurement for the purchase of a Spacesaver High Density Mobile Storage System to store property taken as evidence and stored within the Evidence and Property facility, to Systems & Space, Inc., Pleasanton, CA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $111,554.

   Police; Andy Schlenker, 342-6179, schlenkera@modestopd.com

ACTION: Resolution 2014-261 (Lopez/Madrigal; 7/0) authorizing the award of a sole source procurement for the purchase of a Spacesaver High Density Mobile Storage System to store property taken as evidence and stored within the Evidence and Property facility, to Systems & Space, Inc., Pleasanton, CA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $111,554.

Removed from Consent

7. Consider authorizing the sole source procurement for the purchase of software, computers, servers, equipment and components, to allow the Modesto Police Department viewing access of traffic corridors throughout the City, to CelPlan Technologies, Inc., Reston, VA, for an estimated total cost of $76,620. (Funding Source: Traffic Safety Fund)
   - Resolution authorizing the award of a sole source procurement for the purchase of software, computers, servers, equipment and components, to allow the Modesto Police Department viewing access of traffic corridors throughout the city, to CelPlan Technologies, Inc., Reston, VA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $76,620.

   Police; Andy Schlenker, 342-6179, schlenkera@modestopd.com

ACTION: Resolution 2014-262 (Lopez/Madrigal; 7/0) authorizing the award of a sole source procurement for the purchase of software, computers, servers, equipment and components, to allow the Modesto Police Department viewing access of traffic corridors throughout the city, to CelPlan Technologies, Inc., Reston, VA; and authorizing the Purchasing Manager, or his designee, to issue a purchase order for an estimated total of $76,620.

Consent

8. Consider accepting the work by D.A. Wood Construction, Inc. of Empire, California, for the Strengthen & Replace Water System between El Vista Avenue & Cloverdale Avenue project as complete, and authorizing payment of amounts totaling $173,853. (The total project cost is $237,172, which included construction contingency,

engineering design, city forces and construction administration.) (Funding Source: Water Fund - CIP)

- Resolution accepting the work by D.A. Wood Construction, for the Strengthen & Replace Water System between El Vista Avenue & Cloverdale Avenue Project as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder upon receipt of approved Warranty Bond, to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $173,853.

Utility Planning and Projects; Rob Christensen, 577-5423, rchristensen@modestogov.com

ACTION: Resolution 2014-263 (Lopez/Madrigal; 7/0) accepting the work by D.A. Wood Construction, for the Strengthen & Replace Water System between El Vista Avenue & Cloverdale Avenue Project as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder upon receipt of approved Warranty Bond, to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $173,853.

Consent

9. Consider approving: (i) an agreement with CHG Structural, Inc. in an amount not to exceed $96,200 for funding and implementation support services for the North Valley Regional Recycled Water Program; and (ii) amending the Fiscal Year 2014-15 Capital Improvement Program budget by transferring $96,200 into the project account from Wastewater Fund Reserves to fully fund the agreement. (Funding Source: Wastewater)
   - Resolution approving an Agreement with CHG Structural, Inc. in an amount not to exceed $96,200 for funding and implementation support services for the North Valley Regional Recycled Water Program, and authorize the City Manager, or his designee, to execute the Agreement.
   - Resolution amending the Fiscal Year 2014-15 Capital Improvement Program budget by transferring $96,200 into the project from Wastewater Fund Reserves to fully fund the agreement.

   Utility Planning and Projects; Larry Parlin, 577-5261, lparlin@modestogov.com

ACTION: Resolution 2014-264 (Lopez/Madrigal; 7/0) approving an Agreement with CHG Structural, Inc. in an amount not to exceed $96,200 for funding and implementation support services for the North Valley Regional Recycled Water Program, and authorize the City Manager, or his designee, to execute the Agreement.

ACTION: Resolution 2014-265 (Lopez/Madrigal; 7/0) amending the Fiscal Year 2014-15 Capital Improvement Program budget by transferring $96,200 into the project from Wastewater Fund Reserves to fully fund the agreement.

Consent

10. Consider approving a transfer of real property located at 148 Imperial Avenue (APN: 056-049-020) from Modesto-Ceres Fire Protection Agency to the City of Modesto for Fire Station #10. (Funding Source: Not Applicable)
    - Resolution approving the transfer of real property from Modesto-Ceres Fire

Protection Agency for a 2.23-acre parcel, located at 148 Imperial Avenue (APN 056-049-020), and authorizing the City Manager, or his designee, to accept the transfer and execute all related documents required to transfer the property.

- Resolution authorizing the City Manager, or his designee, to sign the Certificate of Acceptance for the Grant Deed for the transfer of property located at 148 Imperial Avenue (APN 056-049-020), owned by the Modesto-Ceres Fire Protection Agency, to be transferred to the City of Modesto for the benefit of the Modesto Fire Department.

Utility Planning and Projects; Jon Yuriar, 577-5399, jyuriar@modestogov.com

ACTION: Resolution 2014-266 (Lopez/Madrigal; 7/0) approving the transfer of real property from Modesto-Ceres Fire Protection Agency for a 2.23-acre parcel, located at 148 Imperial Avenue (APN 056-049-020), and authorizing the City Manager, or his designee, to accept the transfer and execute all related documents required to transfer the property.

ACTION: Resolution 2014-267 (Lopez/Madrigal; 7/0) authorizing the City Manager, or his designee, to sign the Certificate of Acceptance for the Grant Deed for the transfer of property located at 148 Imperial Avenue (APN 056-049-020), owned by the Modesto-Ceres Fire Protection Agency, to be transferred to the City of Modesto for the benefit of the Modesto Fire Department.

COUNCIL COMMENTS & REPORTS

Councilmember Lopez announced the recent Health Magazine edition with his daughter Desi's picture on the cover.

Councilmember Madrigal updated the Council on meetings he has had with the Southwest Businesses United, a possible sign on Crows Landing Road, and access to City street lights during holidays on Crows Landing Road for holiday decorations.

CITY MANAGER COMMENTS & REPORTS

None.

UNFINISHED BUSINESS

11. Consider: (i) adopting a Finding of Conformance for the Shackelford Sewer Crossing Project; (ii) approving the plans and specifications for the Shackelford Sewer Crossing project, accepting the bid, and approving a contract with Mozingo Construction, Inc., of Oakdale, California in the amount of $2,057,561.70; (iii) approving an Agreement with O'Dell Engineering, Inc. dba O'Dell Engineering for Design Support During Construction for the Shackelford Sewer Crossing project in an amount not to exceed $166,811; and (iv) amending the Fiscal Year 2014-2015 CIP Budget by transferring $1,006,009 into the project account from Wastewater Fund Reserves to fully fund the construction, contingency, and construction administration for the project, including engineering/design/admin support. (Total estimated cost for the construction portion of this project is $2,651,050) (Funding Source: Wastewater Fund)

- Resolution finding that the following project is within the scope of the project covered by the Modesto Wastewater Master Plan Master Environmental Impact Report (MEIR) (SCH#2006052076) and General Plan Master EIR (SCH# 2007072023): Shackelford Sewer Crossing Project.
- Resolution approving the plans and specifications for the Shackelford Sewer Crossing project, accepting the bid, and approving a contract with Mozingo Construction, Inc., of Oakdale, California in the amount of $2,057,561.70, and authorizing the City Manager, or his designee, to execute the contract.
- Resolution approving an agreement with O'Dell Engineering, Inc. dba O'Dell Engineering for Design Support During Construction for the Shackelford Sewer Crossing project in an amount not to exceed $151,646 for the identified scope of services, plus $15,165 for additional services (if needed), for a maximum total amount of $166,811, and authorizing the City Manager, or his designee, to execute the agreement.
- Resolution amending the Fiscal Year 2013-2014 Capital Improvement Program budget in the amount of $1,006,009 to be transferred into the project from Wastewater Fund Reserves in order to fully fund construction, contingency, construction administration, and engineering support during construction for the Shackelford Sewer Crossing project.

Utility Planning and Projects; Jesse Franco, 571-5175, jfranco@modestogov.com

ACTION: Resolution 2014-268 (Gunderson/Madrigal; 7/0) finding that the following project is within the scope of the project covered by the Modesto Wastewater Master Plan Master Environmental Impact Report (MEIR) (SCH#2006052076) and General Plan Master EIR (SCH# 2007072023): Shackelford Sewer Crossing Project.

ACTION: Resolution 2014-269 (Gunderson/Madrigal; 7/0) approving the plans and specifications for the Shackelford Sewer Crossing project, accepting the bid, and approving a contract with Mozingo Construction, Inc., of Oakdale, California in the amount of $2,057,561.70, and authorizing the City Manager, or his designee, to execute the contract.

ACTION: Resolution 2014-270 (Gunderson/Madrigal; 7/0) approving an agreement with O'Dell Engineering, Inc. dba O'Dell Engineering for Design Support During Construction for the Shackelford Sewer Crossing project in an amount not to exceed $151,646 for the identified scope of services, plus $15,165 for additional services (if needed), for a maximum total amount of $166,811, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2014-271 (Gunderson/Madrigal; 7/0) amending the Fiscal Year 2013-2014 Capital Improvement Program budget in the amount of $1,006,009 to be transferred into the project from Wastewater Fund Reserves in order to fully fund construction, contingency, construction administration, and engineering support during construction for the Shackelford Sewer Crossing project.

NEW BUSINESS

12. Consider authorizing: (i) the issuance of City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding bonds, in an aggregate principal amount not to exceed $31,000,000; (ii) the execution and delivery of an Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and an Escrow Agreement; (iii) the distribution of an Official Statement in connection therewith; and (iv) the execution of necessary documents and certificates and related actions. (Funding Source: CFD No. 2004-1 (Village One #2) Special Tax Bonds)
    - Resolution authorizing the issuance of City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds, in an aggregate principal amount of not to exceed $31,000,000, Authorizing the Execution and Delivery of an Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and an Escrow Agreement, authorizing the distribution of an official statement in connection therewith and authorizing the execution of necessary documents and certificates and related actions.

    Community & Economic Development; Tina Rocha, 577-5321, trocha@modestogov.com

ACTION: Resolution 2014-272 (Kenoyer/Gunderson; 7/0) authorizing the issuance of City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds, in an aggregate principal amount of not to exceed $31,000,000, Authorizing the Execution and Delivery of an Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and an Escrow Agreement, authorizing the distribution of an official statement in connection therewith and authorizing the execution of necessary documents and certificates and related actions.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 6:15 p.m.

CLOSED SESSION

Closed Session Matter Heard Prior to Meeting
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION One Case (Pursuant to Section 54956.9(a) of the Government Code)
Name of case: Rodriguez v. City of Modesto
United States District Court
Federal Case No: 1:10-CV-01370-LJO-MJS

Attest: Stephanie Lopez, City Clerk

BOND INDENTURE

Between

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Relating To

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

2014 SPECIAL TAX REFUNDING BONDS

Dated as of July 1, 2014

Table of Contents

Table of Contents
(continued)

Page

ARTICLE V

COVENANTS AND WARRANTY

ARTICLE VI

AMENDMENTS TO INDENTURE

ARTICLE VII

TRUSTEE

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

ARTICLE IX

DEFEASANCE

ARTICLE X

BOND INSURANCE PROVISIONS

Table of Contents
(continued)

Page

ARTICLE XI

MISCELLANEOUS

BOND INDENTURE

THIS BOND INDENTURE ("Indenture") dated as of July 1, 2014, by and between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), governs the terms of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Bonds") issued in accordance herewith.

RECITALS:

WHEREAS, the City Council of the City of Modesto, California (hereinafter sometimes referred to as the "legislative body of the District"), has heretofore undertaken proceedings and declared the necessity to issue bonds on behalf of the District pursuant to the terms and pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"); and

WHEREAS, the District has previously issued its City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Tax Bonds (the "Refunded Bonds") in the aggregate principal amount of $31,085,000 pursuant to that certain Trust Indenture by and between the District and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as trustee (the "Prior Trustee"), dated as of March 1, 2006 (the "Prior Indenture"), and the Refunded Bonds are the only bonds of the District outstanding; and

WHEREAS, the Refunded Bonds were issued by the District to finance certain infrastructure improvements within the District; and

WHEREAS, the legislative body of the District intends to accomplish the refunding of the Refunded Bonds through the issuance of bonds in an aggregate principal amount of $29,320,000 designated as the "the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds" (the "Bonds"), to purchase a bond insurance policy to guarantee payment of the principal of and interest on the Insured Bonds (defined herein) and to fund a deposit to the Reserve Account and pay certain costs related to the issuance of the Bonds; and

WHEREAS, the District has determined that the issuance of the Bonds will provide significant public benefits by reducing the total amount of Special Taxes to be levied for debt service on indebtedness of the District; and

WHEREAS, the Bonds are to be issued and sold in accordance with Resolution No. 2014-272 of the City Council of the City of Modesto (the "City"), acting in its capacity as the legislative body of the District, and with this Indenture; and

WHEREAS, the District has determined that all requirements of the Act for the issuance of the Bonds have been satisfied; and

WHEREAS, upon their issuance, the Bonds will be the only outstanding bonds of the District, and the District is covenanting herein not to issue any future obligation or security having a

lien, charge, pledge or encumbrance on a parity with the Bonds upon the Special Taxes, except to defease the Bonds;

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 District does hereby covenant and agree, for the benefit of the Owners of the Bonds which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

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

"Administration Fund" means that certain fund by that name established pursuant to Section 3.4 hereof.

"Administrative Expenses Cap" means $45,000 per Fiscal Year escalating two percent (2%) each Fiscal Year beginning in Fiscal Year 2014-15; provided that the District may, in its sole discretion, fund Administrative Expenses, without limitation, from any other funds available to the District, including the Surplus Fund.

"Administrative Expenses" means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys' fees and other costs related thereto, the fees and expenses of the Trustee and any Special Tax Consultant to the District, any costs related to the District's compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by the City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder.

"Alternative Penalty Account" means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

"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 investments, if and to the extent the same are at the time legal for investment of the District's funds (the Trustee is entitled to rely upon investment direction from the District as a certification such investment is an Authorized Investment):

(a) Federal Securities;

(b) Senior debt obligations, participations, or other instruments issued by a federal agency or United States government-sponsored enterprise, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises (stripped securities are only permitted if they have been stripped by the agency itself);

(c) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933 and having a rating of AAA or better by a Nationally Recognized Statistical Rating Organization (NRSRO), including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(d) Certificates of deposit secured at all times by collateral described in (a) and (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party or the Trustee and the Trustee on behalf of the Bond Owners must have a perfected first security interest in the collateral;

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase that is rated at least A-1 or its equivalent by a NRSRO and maturing no more than 360 days after the date of purchase (i.e., ratings on holding companies are not considered as the rating of the bank);

(g) Commercial Paper rated, at the time of purchase, at least A-1 or its equivalent by a NRSRO and maturing no more than 270 days after the date of purchase;

(h) Repurchase agreements with financial institutions insured by the FDIC; or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or a bank or other financial institution rated in the top two rating categories by one or more Rating Agencies; provided that: (i) the over-collateralization is at one hundred two percent (102%), computed weekly, consisting of such securities as described in this section, items (a) through (c); (ii) a third party custodian, the Trustee or the Federal Reserve Bank shall have possession of such obligations; (iii) the Trustee shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(i) County or State-administered pooled investment funds in which the District is statutorily permitted or required to invest to the extent that any amounts are deposited by the Trustee into such funds and the Trustee shall have direct access to such fund;

(j) California Asset Management Program (CAMP).

"Bond Counsel" means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"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.

"Bond Year" means the twelve (12) month period commencing on September 2 of each year and ending on September 1 of the following year, and for the first Bond Year commencing on the Delivery Date and ending on September 1, 2014.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond is registered.

"Bonds" means the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds issued in the original principal amount of $29,320,000.

"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 Officer" means a written certificate executed by one of the Mayor, City Manager and Director of Finance of the City, or their written designees.

"City" means the City of Modesto, California.

"City Council" means the City Council of the City.

"Code" means the Internal Revenue Code of 1986, together with any amendments thereto.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement, dated July 1, 2014, by and between the District and Goodwin Consulting Group, Inc., as dissemination agent thereunder.

"Corporate Trust Office" means the Corporate Trust Office of the Trustee at 400 South Hope Street, Suite 400, California 90071, Attention: Corporate Trust, or such other office designated by the Trustee from time to time.

"Costs of Issuance" means the costs and expenses incurred in connection with the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and the preliminary and final Official Statements, financial consultants, special tax consultants and other fees and expenses set forth in a Certificate of an Authorized Officer.

"County" means the County of Stanislaus, California.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.1 hereof.

"Delivery Date" means the date on which the Bonds were issued and delivered to the initial purchasers thereof.

"Depository" means the securities depository acting as Depository under Section 2.12 hereof.

"Dissemination Agent" means Goodwin Consulting Group, Inc., and any successor thereto.

"District" means City of Modesto Community Facilities District No. 2004-1 (Village One #2) established pursuant to the Act and the Resolution of Formation.

"EMMA" means the Electronic Municipal Market Access System, a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org).

"Escrow Agreement" means the Escrow Agreement, by and between The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and the District, dated as of July 1, 2014.

"Escrow Bank" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Fund" means the Escrow Fund established under the Escrow Agreement.

"Extraordinary Administrative Expenses" means Administrative Expenses required for extraordinary District events such as foreclosure actions against delinquent taxpayers within the District required to be prosecuted on an expedited basis pursuant to this Indenture, the approval and implementation of actions requiring Bondowner consent under this Indenture, or actual or threatened Bondowner or property owner litigation arising out of the Bonds or the District.

"Federal Securities" means any of the following:

(1) Cash,

(2) Non-callable direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, or

(3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated,

(4) subject to the prior written consent of the Insurer (so long as the Insurer is not then in default of its payment obligations under the Insurance Policy), pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, and

(5) subject to the prior written consent of the Insurer (so long as the Insurer is not then in default of its payment obligations under the Insurance Policy), securities eligible for "AAA" defeasance under then existing criteria of S&P.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next following June 30.

"Gross Taxes" means the amount of all Special Taxes received by the District from the Treasurer, together with the net proceeds collected from the sale of property pursuant to the foreclosure provisions of this Indenture, penalties and interest received by the District in connection with the delinquency of such Special Taxes and proceeds from any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys' fees payable from such proceeds to the extent not previously paid as an Administrative Expense.

"Indenture" means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article 6 hereof.

"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 District or the City, who, or each of whom:

(a) is in fact independent and not under the domination of the District or the City;

(b) does not have any substantial interest, direct or indirect, in the District or the City; and

(c) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to make annual or other reports to the District or the City.

"Insurance Policy" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

"Insured Bonds" means the Bonds maturing on September 1, 2036.

"Insurer" means Assured Guaranty Municipal Corp., a New York financial guaranty insurance company, or any successor thereto or assignee thereof.

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2015; 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 succeeding such date.

"Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds by adding the following for each Bond Year:

(1) the principal amount of all Outstanding Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and

(2) the interest payable on the aggregate principal amount of the Bonds Outstanding in such Bond Year if the Bonds are retired as scheduled.

"Net Special Taxes" means Gross Taxes minus amounts, not in excess of the Administrative Expenses Cap, set aside to pay Administrative Expenses.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.12 hereof.

"Ordinance" means Ordinance No. 3345-C.S. adopted by the City Council, acting as the legislative body of the District on April 6, 2004 providing for the levying of the Special Tax.

"Outstanding" or "Outstanding Bonds" means all Bonds theretofore issued by the District, except:

(1) Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 11.1 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" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds the Bonds as a securities depository.

"Person" means natural persons, firms, corporations, limited liability companies, partnerships, associations, joint ventures, trusts, public bodies and other entities.

"Rating Agency" means Moody's Rating Service and Standard & Poor's or both, as the context requires.

"Rate and Method of Apportionment" means that certain Rate and Method of Apportionment of Special Tax approved pursuant to the Resolution of Formation as it may be amended from time to time in accordance with the Act and this Indenture.

"Rebatable Arbitrage" means the amount (determinable as of the last day of each fifth Bond Year and upon retirement of the Bonds) of arbitrage profits payable to the United States at all times and in the amounts specified in Section 148(f) of the Code and any applicable Regulations.

"Rebate Regulations" means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

"Record Date" means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

"Regulations" means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

"Representation Letter" shall mean the Blanket Letter of Representations from the District to the Depository as described in Section 2.12 hereof.

"Reserve Requirement" means that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds, if any, (ii) Maximum Annual Debt Service on

the then Outstanding Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds.

"Resolution of Formation" means, Resolution No. 2004-199 adopted by the City Council on April 6, 2004, pursuant to which the City formed the District.

"Resolution of Issuance" means Resolution No. 2014-272 duly adopted by the City Council, acting in its capacity as the legislative body of the District on July 1, 2014, approving this Indenture, and any supplemental bond indenture approved pursuant to Article VI hereof.

"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 schedules set forth in Section 4.1(b) hereof.

"Special Tax Prepayments" means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method of Apportionment.

"Special Taxes" means the Annual Facilities Special Tax (as defined in the Rate and Method of Apportionment) authorized to be levied by the District in accordance with the Ordinance, the Resolution of Formation, the Act and the Rate and Method of Apportionment.

"Special Tax Fund" means the fund by that name established pursuant to Section 3.1.

"Supplemental Indenture" means any supplemental indenture amending or supplementing this Indenture.

"Surplus Fund" means the fund by that name established pursuant to Section 3.10.

"Tax Certificate" means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

"Taxable Property" means the area within the boundaries of the District which is not exempt from application of the Special Tax by operation of law or the Rate and Method of Apportionment.

"Treasurer" means the Treasurer-Tax Collector of the County of Stanislaus.

"Term Bonds" means the Bonds maturing on September 1, 2036.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and any successor thereto.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated.

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 $29,320,000 shall be issued for the purposes of refunding the Refunded Bonds, funding the Reserve Account, purchasing a bond insurance policy to guarantee payment of the principal of and interest on the Insured Bonds and paying Costs of Issuance. The Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Special Taxes and the other amounts in the funds created hereunder, other than amounts in the Rebate Fund or the Administration Fund.

Section 2.2 Type and Nature of Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District 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 or special obligations of the City or general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described herein. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds 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 Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums 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 District's property, or upon any of its income, receipts or revenues, except the Net Special 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 Bonds and interest thereon and neither the members of the legislative body of the District or 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 District shall not be required to advance any money derived from any source of income other than the Net Special Taxes for the payment of the interest on or the principal of the Bonds or for the performance of any covenants contained herein. The District 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 Special Taxes. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act, the District hereby pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Taxes and any other amounts held in the Special Tax Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the pledge of, lien on and

security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Pursuant to the Act and this Indenture, the Bonds shall be equally payable from the Net Special Taxes and other amounts in the Special Tax 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 and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. 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 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 Special Taxes deposited in the Rebate Fund or the Surplus Fund shall no longer be considered to be pledged to the Bonds, and none of the Rebate Fund, the Costs of Issuance Fund, the Surplus Fund or the Administration 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, subject to the limitations contained hereunder, 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 fully registered 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 MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) 2014 SPECIAL TAX REFUNDING 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 September 1, 2015 and each Interest Payment Date thereafter:

Period Ending September 1	*Principal*	*Interest Rate*
2015	$ 320,000	2.00%
2016	475,000	3.00
2017	535,000	4.00
2018	595,000	4.00
2019	655,000	4.50
2020	725,000	5.00
2021	805,000	5.00
2022	890,000	5.00
2023	980,000	5.00
2024	1,070,000	5.00
2025	1,170,000	5.00
2026	1,275,000	5.00
2027	1,385,000	5.00
2028	1,505,000	5.00
2029	1,625,000	5.00
2030	1,760,000	5.00
2031	1,900,000	5.00
2036	11,650,000	4.00

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 (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) 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 Corporate Trust 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 on the applicable Interest Payment Date 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.

Section 2.6 Form of Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds 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 such Bonds and of the certificate of authentication.

Until definitive Bonds, as applicable, shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds temporary bonds in typed, printed, lithographed or engraved form and 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 District. Until exchanged for definitive Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds. If the District 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.

Section 2.7 Execution and Authentication. The Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk, or any duly appointed deputy clerk, in their capacity as officers of the District and attested by the signature of the City Clerk. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed 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 such Bonds had not ceased to hold such office.

Only such Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A 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 the Corporate Trust Office, sufficient books for the registration and transfer of the Bonds which shall be open to inspection by the District during all regular business hours upon reasonable prior notice, and, 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 District 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 District and the Trustee shall not be affected by any notice to the contrary. The District 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 of 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 Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. 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 District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, as applicable, 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 District, at the expense of the Bondowner, 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 District, at the expense of the Bondowner, shall execute and the Trustee shall authenticate and deliver, a new Bond 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 upon receipt of indemnification satisfactory to the Trustee.

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 District 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 System. The Bonds shall be initially issued in the form of a separate single fully-registered Bond for each maturity (which may be typewritten). Upon initial

issuance, the ownership of each such Bond shall be registered in the registration books maintained by the Trustee in the name of the Nominee, as nominee of the Depository. Except hereinafter as provided, all of the Outstanding Bonds shall be registered in the registration books maintained by the Trustee in the name of the Nominee.

With respect to the Bonds registered in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books maintained by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner as shown in the registration books maintained by the Trustee, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books maintained by the Trustee as the absolute Owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Owner, Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the term "Nominee" in this Indenture shall refer to such nominee of the Depository.

In order to qualify the Bonds the District elects to register in the name of the Nominee for the Depository's book-entry system, the District shall execute and deliver the Representation Letter to the Depository concurrently with the issuance and delivery of the Bonds to their respective original purchasers. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners. In a separate agreement, the Trustee shall have agreed to take all action necessary to ensure compliance with all representations of the District in the Representation Letter with respect to the Trustee at all times. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully-registered Bond for each of the

issues and maturities of the Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the bond register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 of this Indenture.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

The initial Depository under this Section shall be The Depository Trust Company, New York, New York ("DTC"). The initial Nominee shall be Cede & Co., as Nominee of DTC.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS AND NET SPECIAL TAXES

Section 3.1 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. 2004-1 Special Tax Fund (the "Special Tax Fund") in which there shall be established and created, a Debt Service Account, a Redemption Account and a Reserve Account;

(2) The Community Facilities District No. 2004-1 Rebate Fund (the "Rebate Fund") in which there shall be established a Rebate Account and an Alternative Penalty Account; and

(3) The Community Facilities District No. 2004-1 Costs of Issuance Fund (the "Costs of Issuance Fund").

The amounts on deposit in the foregoing funds and accounts shall be held by the Trustee; and the Trustee shall invest and disburse the amounts in such funds and accounts in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Section 3.11 hereof.

Section 3.2 Disposition of Bond Proceeds.

(a) The proceeds of the sale of the Bonds (other than $368,695.74 paid by the initial purchasers of the Bonds directly to the Insurer for the premium for the Insurance Policy) shall be received by the Trustee on behalf of the District and deposited as follows:

(1) $27,273,062.74 shall be transferred to the Escrow Bank for deposit into the Escrow Fund pursuant to the terms of the Escrow Agreement, together with $4,006,591.01 of moneys held by the Prior Trustee under the Fiscal Indenture which the District shall direct the Prior Trustee to deposit in the Escrow Fund pursuant to the Escrow Agreement;

(2) $221,368.28 representing the amount of Costs of Issuance with respect to the Bonds shall be deposited in the Costs of Issuance Fund, and such amount shall be applied to the payment of Costs of Issuance for the Bonds; and

(3) $2,735,200.00 shall be deposited in the Reserve 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 deposits or transfers.

Section 3.3 Deposits to and Disbursements from Special Tax Fund. The Director of Finance shall, no later than the last day of each month during which the Special Taxes are received by the District, transfer the Special Taxes net of (a) Special Tax Prepayments (which amounts shall immediately be transferred by the Director of Finance to the Trustee for deposit into the Redemption Account of the Special Tax Fund to be applied in accordance with Section 3.6(b) hereof) and (b) an amount for Administrative Expenses up to the Administrative Expense Cap (which amount shall be deposited in the Administration Fund), to the Trustee for deposit in the Special Tax Fund for the Bonds, to be held in trust by the Trustee in the Special Tax Fund. Notwithstanding the foregoing, no more than half of the amount of Administrative Expenses up to half of the Administrative Expense Cap (plus Extraordinary Administrative Expenses in the event there are Extraordinary Administrative Expenses) levied for the current Fiscal Year shall be deposited in the Administration Fund until the earlier of (i) the date moneys on deposit in the Debt Service Account of the Special Tax Fund are sufficient to pay debt service on the Bonds on March 1 of such Fiscal Year, or (ii) March 2 of such Fiscal Year. The Trustee will then transfer the money on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(1) The Debt Service Account of the Special Tax Fund;

(2) The Redemption Account;

(3) The Reserve Account of the Special Tax Fund;

(4) Rebate Fund; and

(5) Surplus Fund.

At the maturity of all Bonds and, after all principal and interest then due on the Bonds then Outstanding has been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.4 Administration Fund. There is hereby established as a separate fund to be held by the Director of Finance the Administration Fund. Moneys in the Administration Fund may be invested in any Authorized Investments, provided that the maturity or maturities thereof shall not exceed 30 days from the date of purchase. Moneys on deposit in the Administration Fund shall be withdrawn by the Director of Finance and paid to the City or its order upon receipt by the Director of Finance of a Certificate of Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of the Administrative Expense.

Section 3.5 Debt Service Account of the Special Tax Fund. The principal or Sinking Fund Payment of, and interest on, the Bonds until maturity shall be paid by the Trustee from amounts transferred to the Debt Service Account of the Special Tax Fund. For the purpose of assuring that the payment of principal or Sinking Fund Payment of and interest on, the Bonds will be made when due, at least one Business Day prior to each Interest Payment Date, the Trustee shall make the following transfers to the Debt Service Account; provided, however, that to the extent that deposits have been made in the Debt Service Account from the proceeds of the sale of the Bonds, or otherwise, or to the extent that a transfer will be made from the Reserve Account to the Debt Service Account in accordance with the last paragraph of Section 3.7 hereof, the transfer from the Special Tax Fund need not be made: an amount such that the balance in the Debt Service Account one (1) Business Day prior to each Interest Payment Date shall be equal to the installments of interest, principal and Sinking Fund Payments due on the Bonds on said Interest Payment Date. Moneys in the Debt Service Account shall be used for the payment of the interest, principal and Sinking Fund Payments of the Bonds as the same become due.

Section 3.6 Redemption Account of the Special Tax Fund.

(a) After making the deposit to the Debt Service Account of the Special Tax Fund pursuant to Section 3.5 above and in accordance with the District'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 of and interest on the Bonds called for redemption, and the premiums payable as provided in Section 4.1(a) hereof on the Bonds called for optional redemption one (1) Business Day prior to the redemption date; provided, however, that Net Special Taxes may be applied to optionally redeem Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(b) Special Tax Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) hereof for the use of such Special Tax Prepayments to the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed with such Special Tax Prepayments.

(c) 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 and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds; provided, however, in lieu or partially in lieu of such call and redemption, upon receipt by the Trustee of written direction of the District to purchase Bonds, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, or, in the case of purchases to be made from funds to be applied to a redemption pursuant to Section 4.1(a), par plus accrued interest, plus premium, if any, in the case of moneys set aside for an optional redemption. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.7 Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement.

Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that the moneys in the Debt Service Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.8 upon written direction from the District; provided, however, amounts in the Reserve Account may be applied to pay the principal and interest due on any Bonds in the final Bond Year in which any Bonds are Outstanding. If the amounts in the Debt Service Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on the Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account for deposit in the Debt Service Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes. Following any transfer to the Debt Service Account of the Special Tax Fund or to the Rebate Fund as described above, the District shall then take the steps necessary to cause to be deposited to the Reserve Account the amount needed to replenish the Reserve Account to the Reserve Requirement by transferring such amount from Special Taxes held by the Treasurer or, if the District so elects, by including such amount in the next annual Special Tax levy to the extent of the permitted maximum Special Tax rates.

Notwithstanding anything herein to the contrary, whenever moneys are withdrawn from the Reserve Account, after making the required transfers pursuant to Sections 3.5 and 3.6 above, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund the amount needed to restore the amount of such account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Debt Service Account of the Special Tax Fund. In no event shall amounts in the Reserve Account be used to pay fees or expenses of the Trustee or its counsel.

In connection with a redemption of Bonds pursuant to Section 4.1(a) or (c), or a defeasance of Bonds in accordance with Section 9.1 hereof, amounts in the Reserve Account shall be applied to such redemption or defeasance so long as the amount on deposit in the Reserve Account following such redemption or any partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Officer the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to this Indenture to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

Notwithstanding any provision herein to the contrary, moneys in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account on the Business Day before each Interest Payment Date and transferred to the Debt Service Account to be applied to the interest on the Bonds on the next Interest Payment Date.

The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

Section 3.8 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternative Penalty Account therein. The District shall cause to be deposited in the Rebate Fund such amounts as required under the Tax Certificate. All money at any time deposited in the Rebate Account or the Alternative Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section 3.8 and the Tax Certificate.

Without limiting the generality of the foregoing, the District agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final treasury regulations as may be applicable to the Bonds from time to time, which the District covenants to pay or cause to be paid to the United States at the times and in the amounts determined under the Tax Certificate. The Trustee agrees to comply with all instructions given to it by the District in accordance with this covenant. The Trustee shall conclusively be deemed to have complied with the provisions of this Section 3.8 if it follows the instructions of the District and shall not be required to take any actions hereunder in the absence of instructions from the District. The Trustee may rely conclusively upon the District's determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District's calculations hereunder.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds after payment in full of such issue and after making the payments required to comply with this Section 3.8 and the Tax Certificate may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds.

(d) Amendment Without Consent of Owners. This Section 3.8 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax exempt basis. Notwithstanding any provision of this Section, if the District shall provide to the Trustee an opinion of a nationally recognized bond or tax counsel that any specified action required under this Section 3.8 is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds, the Trustee and the District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 3.9 Costs of Issuance Fund.

(a) The moneys in the Costs of Issuance Fund shall be applied exclusively to pay the Costs of Issuance for the Bonds. Amounts for Costs of Issuance shall be disbursed from the Costs of Issuance Fund by the Trustee only upon receipt of a sequentially numbered written requisition, substantially in the form attached hereto as Exhibit B from the Director of Finance or

such other person as is designated in writing to the Trustee by the legislative body of the District. Each such written requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(b) Upon the receipt of a Certificate of an Authorized Officer that all or a specified portion of the amount remaining in the Costs of Issuance Fund is no longer needed to pay Costs of Issuance, respectively, the Trustee shall transfer all or such specified portion of the moneys remaining on deposit in such account to the Debt Service Account of the Special Tax Fund. Any moneys remaining in the Cost of Issuance Fund on December 1, 2014 shall be transferred to the Debt Service Account of the Special Tax Fund.

Section 3.10 Surplus Fund. There is hereby created and established the "Surplus Fund," to be held by the Director of Finance. After making the transfers required by Sections 3.5, 3.6, 3.7 and 3.8, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the District for deposit in the Surplus Fund. Moneys deposited in the Surplus Fund may be transferred by the District (i) to the Trustee for deposit in the Debt Service Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, (ii) to the Trustee for deposit in the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement, (iii) to the Administration Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administration Fund are insufficient to pay Administrative Expenses, or (iv) may be used by the District for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds, the District shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Authorized Investments at a Yield not in excess of the Yield on the Bonds, unless, in the opinion of Bond Counsel, investment at a higher Yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

Section 3.11 Investments. Moneys held in any of the Funds and Accounts under this Indenture shall be invested by the Trustee at the written direction of the District 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 and Accounts. Any loss resulting from such Authorized Investments shall be charged to the Fund or Account from which such investment was made, and any investment earnings on a Fund or Account shall be applied as follows: (i) investment earnings on all amounts deposited in the Costs of Issuance Fund shall be deposited in that Fund, (ii) investment earnings on all amounts in the Rebate Fund shall be deposited in that Fund, (iii) investment earnings on all amounts deposited in the Reserve Account of the Special Tax Fund shall be used to satisfy the Reserve Requirement and any investment earnings not needed to satisfy the Reserve Requirement shall be withdrawn from the Reserve Account one (1) Business Day before each Interest Payment Date and transferred to the Debt Service Account as provided in Section 3.7 hereof; and (iv) all other investment earnings shall be deposited in the Debt Service Account of the Special Tax Fund. Moneys in the Funds and Accounts

held under this Indenture may be invested by the Trustee, upon the written direction of the District, from time to time, in Authorized Investments which written direction shall be made in accordance with the following restrictions:

(a) Moneys in the Accounts within the Costs of Issuance Fund shall be invested in Authorized Investments which will by their terms mature, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Costs of Issuance Fund.

(b) Moneys in the Debt Service Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature or 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.

(c) One-half of the amount in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments which mature not later than six (6) months from their date of purchase by the Trustee, and one-half of such amount shall be invested in Authorized Investments which mature not more than two (2) years from the date of purchase by the Trustee; provided that such amounts may be invested in an investment or repurchase agreement so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.5 hereof; and provided that no such Authorized Investment of amounts in the Reserve Account allocable to the Bonds shall mature later than the respective final maturity date of the Bonds to which such amounts relate.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (a) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.8 hereof.

The Trustee, at the direction of the District, shall sell, or present for redemption, any Authorized Investments so purchased 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, except that amounts in the Reserve Account shall be valued at the market value thereof at least semiannually on or before each Interest Payment Date. 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 may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell 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. In the absence of written investment direction the Trustee shall hold such funds uninvested pending the receipt of written investment instructions. The Trustee may

rely on the investment directions of the District as to the suitability and legality of the directed investments.

The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of security transactions to be effected by the Trustee hereunder as they occur. The District specifically waives the right to receive such confirmations to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which shall include detail for the investment transactions effected by the Trustee hereunder; provided, however, that the District retains its right to receive brokerage confirmation on any investment transaction requested by the District.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before September 1, 2024 are not subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to call and redemption, at the option of the District, from any available source of funds prior to their stated maturity on any date on or after September 1, 2024, as a whole or in part, and by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption.

(b) Mandatory Sinking Fund Redemption. Bonds maturing on September 1, 2036 shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account, on September 1, 2032, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Due on September 1, 2036

Year (September 1)	***Principal Amount***
2032	$2,045,000
2033	2,185,000
2034	2,320,000
2035	2,470,000
2036 (Maturity)	2,630,000

In the event the District shall elect to redeem Bonds as provided in this Section 4.1, the District shall give written notice to the Trustee of its election so to redeem, the redemption date and (other than redemptions pursuant to (b) above) the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 35 but no more than 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in the sole determination of the Trustee, such notice for the convenience of the Trustee.

Special Tax Prepayments and amounts released from the Reserve Account in connection with Special Tax Prepayments in accordance with Section 3.7 hereof shall be allocated to the redemption of the Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds as applied in a written certificate from the District to the Trustee.

(c) Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to Special Mandatory Redemption from Special Tax Prepayments 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 Special Tax Prepayments deposited to the Redemption Account pursuant to Section 3.6(b), plus amounts transferred from the Reserve Account pursuant to Section 3.7, at the following redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption:

Redemption Dates	***Redemption Price***
Any Interest Payment Date through March 1, 2022	103%
September 1, 2022 and March 1, 2023	102
September 1, 2023 and March 1, 2024	101
September 1, 2024 and any Interest Payment Date thereafter	100

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis. The District shall provide the Trustee with a revised sinking fund schedule.

(d) Purchase of Bonds. In lieu of payment at maturity or redemption, moneys in the Special Tax Fund may be used and withdrawn by the Trustee, subject to the prior written approval of the Insurer (so long as the Insurer is not then in default of its payment obligations under the Insurance Policy), for purchase of Outstanding Bonds, upon the filing with the Trustee of a Certificate of an Authorized Officer requesting such purchase, at a public or private sale as and when, and at such prices (including brokerage and other charges) as such Certificate of an Authorized Officer may provide, but in no event will Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if the Bonds were to be redeemed in accordance with this Indenture.

Section 4.2 Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed (except with respect to mandatory sinking fund redemption in which case selection shall be by lot), the Trustee shall select Bonds pro rata among maturities and by lot within a maturity. 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, and, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000. The Trustee shall promptly notify the District in writing of the Bonds, or portions thereof, selected for redemption.

Section 4.3 Notice of Redemption. When Bonds are to be called for optional or special mandatory redemption under Section 4.1(a) or (c), if the Trustee has received the required notice from the District, the Trustee shall give notice, in the name and at the expense of the District, of the redemption of such Bonds provided, however, that a notice of a redemption with respect to a

redemption pursuant to Section 4.1(a) may be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds to be redeemed. Such notice of redemption shall (a) specify the serial numbers and the maturity date or dates of the Bonds selected for redemption, except that where all the Bonds subject to redemption, or all the Bonds of one maturity, are to be redeemed, the serial numbers thereof need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be surrendered for redemption; and (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed. Such notice may state that redemption is contingent upon the availability of refunding bond proceeds. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 60 days prior to the redemption date, the Trustee shall mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent thereto, and neither the failure to receive such notice nor any defect therein 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.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent not later than the date that notice of redemption is mailed to the Bondowners pursuant to the first paragraph of this Section by registered or certified mail or overnight delivery service to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds as determined by the Trustee and to one or more of the national information services that the Trustee determines are in the business of disseminating notice of redemption of obligations such as the Bonds. The redemption notice shall also be sent to EMMA.

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 practicable bear the CUSIP number identifying, 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, the District shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the District, 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, 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 Corporate Trust 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 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 District 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 District makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the District 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 District 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 District covenants that it will receive all Gross Taxes in trust and will deposit the Gross Taxes with the Trustee, as provided in Section 3.3, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Gross 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 District. Notwithstanding the provisions of this Section, as set forth in Section 8.2, the District shall have the right to accept less than the minimum bid on any delinquent parcel, and is indemnified from legal claim for Owners of the

Bonds, if the City Council determines that the acceptance of less than the minimum bid or another action as described in Section 8.2 is in the best interest of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued hereunder, together with the premium, if any, thereon 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 Special Taxes 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 of the Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Gross Taxes, except as provided in this Indenture, and (except as set forth herein) will not issue any obligation or security having a lien or charge upon the Net Special Taxes superior to or on a parity with the Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Net Special Taxes to repay the Bonds.

(b) Levy and Collection of Special Tax. Subject to the maximum Special Tax rates, the District will comply with all requirements of the Act so as to assure the timely collection of the Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or before each June 1, commencing June 1, 2015, the Trustee shall provide a written notice to the District stating the amounts then on deposit in the various funds and accounts established by the Trustee pursuant to this Indenture. The receipt of such notice by the District shall in no way affect the obligations of the District under the following paragraphs. Upon receipt of a copy of such notice, the District shall communicate with the Treasurer or other appropriate official of the County of Stanislaus to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The District shall retain an Independent Financial Consultant to assist in the levy of the Special Taxes each Fiscal Year, commencing Fiscal Year 2014-15, in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Treasurer will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, and approval by the legislative body of the District, the District shall prepare or cause to be prepared, and shall transmit to the Treasurer, such data as the Treasurer requires to include the levy of the Special Taxes on the next secured tax roll.

The District shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on Outstanding Bonds becoming due and payable during the ensuing year including any necessary replenishment or expenditure of the Reserve Account for the Bonds, an amount equal to the estimated Administrative Expenses and any additional amounts necessary for expenses incurred in connection with administration or enforcement of delinquent Special Taxes. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds are Outstanding, including the initiation of proceedings under the Act to reduce the Maximum Special Tax rates (the "Maximum Rates") on Taxable Property in the District below the amounts which are necessary to pay Administrative Expenses and to provide

Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Outstanding Bonds.

The Special Taxes shall be payable and 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 times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property; provided, the legislative body of the District may provide for direct collection of the Special Taxes in certain circumstances.

The fees and expenses of the Independent Financial Consultant retained by the District to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amount received, as well as the costs and expenses of the District (including a charge for District staff time) in conducting its duties hereunder, shall be an Administrative Expense hereunder.

(c) Commence Foreclosure Proceedings. Pursuant to Section 53356.1 of the Act, the District hereby covenants with and for the benefit of the Bondowners that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than $5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question (ii) the balance on deposit in the Reserve Account of the Special Tax Fund is not less than the Reserve Requirement.

Special Taxes collected as a result of a foreclosure proceeding shall be deposited in the Special Tax Fund and only inure to the benefit of the Bonds in the manner provided in Section 3.2.

(d) Payment of Claims. The District 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 Special Taxes or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds then Outstanding; provided however that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the improvements constructed with the proceeds of bonded indebtedness issued by the District, 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 Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income for federal

income tax purposes of interest on the Bonds issued on a tax-exempt basis will not be adversely affected, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other monies or property which would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "private activity bonds" within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(g) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(b) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(h) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53341.1 of the Act permitting the tender of Bonds in full payment or partial payment of any Special Tax unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds when due.

(i) Continuing Disclosure Covenant. The District hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the District to comply with its obligations under the Continuing Disclosure Agreement shall not be considered an event of default under this Indenture, and the sole remedy, in the event of any failure of the District to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

(j) Opinions. In the event that an opinion is rendered by Bond Counsel as provided herein from a firm other than the firm which rendered the Bond Counsel opinion at closing, such subsequent opinion by Bond Counsel shall also include the conclusions set forth in numbered paragraphs 1, 2, 3 and 4 of the original Bond Counsel opinion.

(k) Further Assurances. The District shall make, execute and deliver any and all such further agreements, 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 of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1 Supplemental Indentures or Orders Not Requiring Bondowner Consent. The District 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 Supplemental Indenture, 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 District contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the District 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, or to comply with the Code or regulations issued thereunder, 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;

(d) to modify, alter or amend the Rate and Method of Apportionment in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property (as defined in the Rate and Method of Apportionment) below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Bonds Outstanding as of the date of such amendment;

(e) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners; provided that any amendment or supplement to this Indenture which will affect the Trustee's duties or protections or the Insurer's rights and interests set forth hereunder shall be effective only upon written consent of the Trustee or the Insurer, as applicable; or

Section 6.2 Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures set forth in Section 6.1 and subject to the prior written consent of the Insurer (so long as the Insurer is not then in default of its payment obligations under the Insurance Policy), the Owners of not less than a majority of in aggregate principal amount of the Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District 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, or redemption premium on, any Bond or the rate of interest thereon; (c) a preference or priority of any Bond over any other Bond; 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 District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the District 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 District, 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 District 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 District, 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 District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, 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 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, 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 District 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 District may determine that the Bonds may bear a notation, by endorsement in form approved by the District, 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 District shall so determine, new Bonds so modified as, in the opinion of the District, 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. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Los Angeles, California, is hereby appointed Trustee for the District for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. In the event that the District fails to deposit with the Trustee any amount due hereunder when due, the Trustee shall provide written notice to the District.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or pay by wire transfer as provided in Section 2.5 hereof, 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 and premium, if any, on the Bonds 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 shall deliver to the District a monthly accounting of the Funds and Accounts it holds under this Indenture; provided, however, that the Trustee shall not be obligated to deliver such accounting for any Fund or Account that has a balance of zero. The Trustee may establish such Funds and Accounts as it deems necessary or appropriate to perform its obligations hereunder.

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 11.1 hereof.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee 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 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 from and against costs, claims, expenses and liabilities not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. The obligations of the District under this Section shall survive the discharge of the Bonds and the resignation or removal of the Trustee.

Section 7.2 Removal of Trustee. The District may at any time at its sole discretion 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, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars ($50,000,000), 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, national banking association 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, national banking association 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.

Section 7.3 Resignation of Trustee. The Trustee may at any time resign by giving written notice to the District and the Insurer 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 District shall promptly appoint by an instrument in writing and with the prior approval of the Bond Insurer, a successor Trustee. 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. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within thirty (30) days after the Trustee shall have given to the District and the Owners written notice, the Trustee, at the expense of the District, or the District may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee, which successor shall be acceptable to the District.

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 District, 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 or 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 Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, 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 District, 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 District, 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 responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

No provision of this Indenture or any other document related hereto shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights hereunder.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be

followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedure.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Owners pursuant to the provisions of this Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents, shall not be liable for the acts or omissions of such attorneys or agents appointed with due care, and shall be entitled to rely on advice of counsel concerning all matters of trust and its duty hereunder.

The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at Corporate Trust Office of the Trustee.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

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 District 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 thirty (30) days after the District shall have been given notice in writing of such default by the Trustee, the Insurer or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds; provided that no grace period for a default under this Section 8.1(c) shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer.

Section 8.2 Remedies of Owners. Following the occurrence of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District 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 District and its members, officers and employees to account as the trustee of an express trust.

Nothing in this Article or in any other provision of this Indenture, the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners thereof at the respective dates of maturity, as herein provided, out of the Net Special Taxes pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in this Indenture. The principal of the Bonds shall not be subject to acceleration hereunder.

A waiver of any default or breach of duty or contract by any Owner 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 by any Owner 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 Owners

by the Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

No remedy herein conferred upon or reserved 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.

In case the moneys held by the Trustee after an Event of Default pursuant to Section 8.1(a) or (b) shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, after payment of all reasonable fees and expenses, including reasonable legal fees and expenses of the Trustee incurred in the course of the performance of its powers and duties under this Indenture, then all available amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest, and to restore the Reserve Account to the Reserve Requirment.

ARTICLE IX

DEFEASANCE

Section 9.1 Defeasance. If the District 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 Special Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District 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, upon payment of all amounts owed by the District to the Trustee hereunder, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall, after payment of amounts payable to the Trustee hereunder, pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the interest due on and the principal of 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 depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund are available for such purpose, 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 District, in trust, direct, noncallable Federal Securities, of the type defined in the definition thereof set forth in Section 1.1 hereof, in which the District may lawfully invest its money, in such amount as an Independent Financial Consultant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund are available for such purpose, 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;

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District 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 and except for the covenants of the District contained in Section 5.2(f) relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than thirty (30) days prior to the proposed defeasance date. In connection with a defeasance under (b) or (c) above, there shall be provided to the Trustee and the Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Certified Public Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or the redemption date; (ii) an escrow agreement (which shall be acceptable in form and substance to the Insurer); (iii) 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; and (iv) a certificate of discharge of the Trustee with respect to the Bonds. The opinion of Bond Counsel and Certified Public Accountant's or report referred to above shall be acceptable in form and substance, and addressed, to the District, Trustee and Insurer (so long as the Insurer is not then in default of its payment obligations under the Insurance Policy). The Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

The Bonds shall be deemed Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

Upon a defeasance, the Trustee, upon request of the District, 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 District 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 District 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 and any fees and expenses of the Trustee remaining unpaid. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

ARTICLE X

BOND INSURANCE PROVISIONS

Section 10.1 Claims Upon Insurance Policy. So long as the Insurance Policy remains in full force and effect, the District and the Trustee agree to comply with the following provisions set forth in this Section 10.1, notwithstanding anything to the contrary herein:

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(b) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(c) The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking account redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of the Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the District on any Insured Bond or the subrogation rights of the Insurer.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(e) Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Bonds referred to in this Section 10.1 as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Insured Bonds and shall deposit any

such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under Article II regarding payment of the Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the District agrees to pay to the Insurer: (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus three percent, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The District hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Special Taxes and payable from such Net Special Taxes on a parity with debt service due on the Insured Bonds.

(f) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Interest Payment Date shall promptly be remitted to the Insurer.

(g) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for

(h) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceedings (as defined in Section 10.2(a)). The obligation of the District to the Insurer under this Indenture shall survive the discharge or termination of this Indenture.

Section 10.2 Additional Rights of Insurer. So long as the Insurance Policy shall be in full force and effect and the Insurer is not then in default of its payment obligations thereunder, the following provisions of this Section 10.2 shall apply:

(a) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the provisions of this Indenture pertaining to (i) defaults and remedies, and (ii) the duties and obligations of the Trustee. Without limiting any other provision of this Indenture, mandamus is expressly recognized as a remedy in the Event of Default under this Indenture. In furtherance thereof, the Trustee and

each Owner of the Insured Bonds appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") shall act as such agent and attorney-in-fact of the Trustee and the Owners of the Insured Bonds in directing all matters relating such Insolvency Proceedings, including without limitation: (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Claim (a "Claim"), (B) the direction of any appeal or any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Owner of the Insured Bonds delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner of the Insured Bonds in the conduct of any Insolvency Proceeding, including without limitation, all rights of any such party to an adversary proceeding or action with respect to any court order issued in connection with such Insolvency Proceeding.

(b) The District shall pay or reimburse the Insurer any and all reasonable charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Indenture; (ii) the pursuit of any remedies under this Indenture or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture, other than costs resulting from the negligence or willful misconduct of the Insurer or the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture.

(c) The rights granted to the Insurer under this Indenture to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Insured Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners of the Insured Bonds or any other person is required in addition to the consent of the Insurer.

(d) Upon the reasonable request of the District or the Insurer, the Trustee shall execute and deliver any and all such instruments and assurances as may be necessary or proper to facilitate the performance hereunder with respect to the provisions of this Indenture pertaining to the Trustee's obligations, including but not limited to the maintenance and application of funds pledged for the Bonds under this Indenture.

(e) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 216167-N; Telephone: (212) 974-0100; telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(f) The Trustee shall provide the following to the Insurer:

(i) Notice of the resignation by the Trustee;

(ii) With respect to any successor Trustee, the acceptance of duties by the successor Trustee upon its appointment;

(iii) Notice of any Event of Default known to the Trustee within five Business Days after knowledge thereof;

(iv) Notice of any advance refunding of the Insured Bonds (including the principal amount, maturities and CUSIP numbers, if any) prior to the funding of the escrow in connection with such advance refunding;

(v) Copies of notices or reports (including, but not limited to, notices of redemption pursuant to Section 4.3) delivered to Owners of the Insured Bonds pursuant to the requirements of this Trust Agreement; and

(vi) Notices of any failure by the District to provide notices, certificates or other information in violation of the provisions of this Indenture.

(g) The District shall provide or cause to be provided to the Insurer the following (provided, that in each case, to the extent that the Trustee has already provided the information or material to the Insurer, then the District shall not be required to provide duplicative information or material):

(i) Copies of annual audited financial statements of the District no later than April 1 immediately following the end of the District's fiscal year (together with a certification of the District that it is not aware of any default or Event of Default under this Indenture);

(ii) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Reserve Requirement and (B) withdrawals in connection with a refunding of Bonds;

(iii) Notice of the removal of the Trustee or the appointment of any successor Trustee;

(iv) Notice of any Event of Default known to the District within five Business Days after knowledge thereof;

(v) Notice of the commencement of any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds; and

(vii) A copy of any amendment or supplement to this Indenture and any waiver affecting any Insured Bonds.

(h) Unless already covered under Section 10.2(h) or 10.2(i) above, the District shall provide or cause to be provided to the Insurer all reports or notices submitted to the Municipal Securities Rulemaking Board by the District pursuant to the Continuing Disclosure Agreement relating to the Bonds.

(i) In addition to any of the items expressly mentioned in this Section 10.2, each of the Trustee and the District shall provide such additional document or information relating to the Bonds as the Insurer may reasonably request from time to time.

(j) The District will permit the Insurer to discuss the affairs, finances and accounts of the District with respect to, or any information the Insurer may reasonably request regarding, the security for the Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the District pertaining to the Bonds or the security thereof on any business day upon reasonable prior notice.

(k) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Bonds or the rights of the Owners of the Insured Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(l) The District shall not enter into any contract or take any action by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect without the prior written consent of the Insurer.

(m) Subject to Article VII, upon the written request of the District or the Insurer, the Trustee shall take such action (including the execution and delivery of applicable documentations) as determined by the District or the Insurer to be necessary to preserve the priority of the pledge of the Net Special Taxes under applicable law.

Section 10.3 Suspension or Termination of Rights of Bond Insurer. All rights of the Insurer to direct or consent to actions of the District, the Trustee or the Owners under this Indenture shall be suspended during any period in which the Insurer is then in default in its payment obligations under its Insurance Policy (except to the extent of amounts previously paid by the Insurer and due and owing to the Insurer) and shall be of no force or effect in the event such Insurance Policy is no longer in effect or the Insurer asserts that the Insurance Policy is not in effect

Section 10.4 Insurer as Third-Party Beneficiary. The Insurer is a third party beneficiary to this Indenture.

Section 10.5 Interest Rate Exchange Agreement. The District shall not enter into any interest rate exchange agreement or other interest rate maintenance agreement secured by and payable from the Net Special Taxes without the prior written consent of the Insurer.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Cancellation of Bonds. All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor and any Bond purchased by the District as authorized herein shall be cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds, as provided by law, and, upon written request from the District, furnish to the District a certificate of such destruction.

Section 11.2 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 District 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 District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District 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 in pursuance of such request or consent.

Section 11.3 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding and subject to the escheat laws of the State, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds which remain unclaimed for two (2) years after the date when such Outstanding Bonds have become due and payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the said date when such Outstanding Bonds become due and payable, shall be repaid by the Trustee to the District, 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 District for the payment of such Outstanding Bonds; provided, however, that, before

being required to make any such payment to the District, the Trustee shall, at the expense of the District, cause to be mailed to the registered Owners of such Outstanding Bonds 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 less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 11.4 Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District 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 District, 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 irrepealable, 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 11.5 Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Taxes which are subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Special Taxes as defined herein.

Section 11.6 Further Assurances. The District 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 11.7 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 and 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 11.8 Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid or personally delivered to the City Manager of the City of Modesto, 1010 10th Street, Modesto, California 95354, and all notices to the Trustee shall be mailed, first class, or personally delivered to the Trustee at The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, 4th Floor California 90071, Attention: Corporate Trust Administration, Ref: City of Modesto Community Facilities District No. 2004-1.

Section 11.9 Action on Next Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a

Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in this Indenture.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

SIGNED AND APPROVED as of the day and year first written above by the Mayor of the City of Modesto, acting on behalf of CITY OF MODESTO FACILITIES COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) and attested to by the City Clerk and The Bank of New York Mellon Trust Company, N.A., in token of its acceptance of the duties of the Trustee created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

By: _____
Mayor of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ATTEST:

_____
City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

SIGNED AND APPROVED as of the day and year first written above by the Mayor of the City of Modesto, acting on behalf of CITY OF MODESTO FACILITIES COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) and attested to by the City Clerk and The Bank of New York Mellon Trust Company, N.A., in token of its acceptance of the duties of the Trustee created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

By: _____

Mayor of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ATTEST:

_____

City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____

Authorized Officer

EXHIBIT A

[FORM OF BOND]

Unless this Bond certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any Bond certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF STANISLAUS

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP® NUMBER
_____%	September 1, ____	July 30, 2014	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (the "District"), located in the City of Modesto, County of Stanislaus, State of California, 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 to which interest has been paid or duly provided in full, 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; provided, however, that 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, 2015, 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 corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed by first class mail, postage prepaid, or, upon request of any Registered Owner of at least $1,000,000 of Bonds, by wire transfer to an account in the continental United States of the Registered Owner hereof prior to the Record Date as of the close of business on the fifteenth day of the month preceding an Interest Payment Date (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 Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds" (the "Bonds") issued in the aggregate principal amount of $29,320,000 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 refunding the District's 2006 Special Tax Bonds, to purchase a municipal bond insurance policy to guarantee the payment of the principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds"), paying certain costs related to the issuance of the Bonds and funding a reserve account. 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 of Modesto, acting in its capacity as the legislative body of the District (the "Legislative Body") on July 1, 2014, and a Bond Indenture dated as of July 1, 2014, by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee, 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 executed 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 are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District and which are pledged to the repayment of the Bonds (the "Special Taxes"). Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts on deposit in the Special Tax Fund, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances 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 before September 1, 2024 are not subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to call and redemption, at the option of the District, from any available source of funds prior to their stated maturity on any date on or after September 1, 2024, as a whole or in part, and by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption.

The Bonds maturing on September 1, 2036 are subject to mandatory sinking fund redemption in part, by lot, on September 1, 2032 and on each September 1 thereafter to maturity, at a redemption

price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Term Bonds Due on September 1, 2036

Year (September 1)	*Principal Amount*
2032	$2,045,000
2033	2,185,000
2034	2,320,000
2035	2,470,000
2036 (Maturity)	2,630,000

The Bonds are subject to Special Mandatory Redemption from Special Tax Prepayments on any Interest Payment Date, in whole or in part, at the following redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption:

Redemption Dates	*Redemption Price*
Any Interest Payment Date through March 1, 2022	103%
September 1, 2022 and March 1, 2023	102
September 1, 2023 and March 1, 2024	101
September 1, 2024 and any Interest Payment Date thereafter	100

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 60 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 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 District 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 of $5,000 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 corporate trust 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 District 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 principal of this Bond is not subject to acceleration.

If the District shall pay or cause to be paid to the Owner of this Bond the interest due hereon and the principal hereof, at the times and in the manner stipulated herein and in the Indenture, or if there has been deposited with the Trustee moneys or investment securities, which together with the interest to accrue thereon without further investment, will be fully sufficient to pay and discharge the principal of, premium, if any, and interest on all Bonds Outstanding as and when the same shall become due and payable, then the Owner of this Bond shall cease to be entitled to the pledge of Net Special Taxes under the Indenture, and all covenants, agreements and other obligations of the District to the Owner of this Bond under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF MODESTO OR OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 FOR WHICH THE CITY OF MODESTO OR THE DISTRICT 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 DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF MODESTO, 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 District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the City of Modesto Community Facilities District No. 2004-1 (Village One #2) has caused this Bond to be dated as of the Dated Date, to be executed on behalf of the District by the Mayor of the City of Modesto by facsimile signature and attested by the facsimile signature of the City Clerk.

_____

Mayor of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ATTEST:

_____

City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds"), to The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, or its successor, as trustee for the Insured Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Insured Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

_____

City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

[FORM OF ASSIGNMENT]

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

_____

attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

_____

Notice: Signature(s) must be guaranteed by a qualified guarantor.

_____

Notice: The signature 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.

EXHIBIT B

FORM OF REQUISITION FOR DISBURSEMENT OF COSTS OF ISSUANCE

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

The undersigned, a duly authorized representative of City of Modesto Community Facilities District No. 2004-1 (the "District"), hereby certifies to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") for purposes of disbursing funds from the Costs of Issuance Fund to pay Costs of Issuance that:

(1) The Trustee is to pay to the payees set forth on Exhibit A hereto the amount set forth next to each payee's name for the item described on Exhibit A hereto;

(2) The conditions to the release of these amounts from the Costs of Issuance Fund have been satisfied; and

(3) There has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, stop notice or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on Exhibit A hereto which has not been released or will not be released simultaneously with the payment of such amounts, other than materialmen's or mechanic's liens accruing by mere operation of law.

Dated: _____

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: _____
Authorized Officer

EXHIBIT A

Payee	*Amount Due*	*Purpose of Expenditure*

ESCROW AGREEMENT

By and Between

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

Dated as of July 1, 2014

Relating to

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

ESCROW AGREEMENT

THIS 2014 ESCROW AGREEMENT, dated as of July 1, 2014 (the "Escrow Agreement"), by and between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), is entered into in accordance with Resolution No. 2014-272 of the City Council of the City of Modesto, acting as the legislative body of the District, adopted on July 1, 2014 and a Bond Indenture dated as of July 1, 2014 between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") (the "Indenture"), to refund all of the outstanding bonds issued pursuant to the Trust Indenture by and between the District and The Bank of New York Mellon Trust Company, N.A., formerly known as "The Bank of New York Trust Company, N.A.," as trustee (the "Prior Trustee"), dated as of March 1, 2006 (the "Prior Indenture").

WITNESSETH:

WHEREAS, pursuant to the Prior Indenture, the District has previously issued its Special Tax Bonds (the "Refunded Bonds") in the aggregate principal amount of $31,085,000, which are currently outstanding in the aggregate principal amount of $29,925,000; and

WHEREAS, the District has determined to issue its 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds") for the purpose of providing moneys which will be used to pay the regularly scheduled payment of principal of and interest on the Refunded Bonds on September 1, 2014 and to optionally redeem all of the Refunded Bonds on September 1, 2014 (the "Redemption Date") at a redemption price equal to the outstanding aggregate principal amount thereof on the Refunded Bonds, plus 2% premium (the "Redemption Price"), as required under the Prior Indenture; and

WHEREAS, the District has taken action to cause to be issued or delivered to the Escrow Bank for deposit in or credit to the escrow fund established and maintained by it (the "Escrow Fund") moneys to be held uninvested as cash, in an amount necessary to refund all of the Refunded Bonds.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys.

(a) The District hereby deposits with the Escrow Bank $31,279,653.75, comprised of the net sale proceeds of the Bonds and other moneys held under the Prior Indenture with respect to the Refunded Bonds, to be held in irrevocable escrow by the Escrow Bank separate and apart from all other securities, investments or moneys on deposit with the Escrow Bank, in a fund hereby created and established and to be known as the "Escrow Fund," and to be applied solely as provided in this Escrow Agreement. Such moneys shall be uninvested as cash and are at least equal to an amount sufficient to pay when due the Redemption Price on the Redemption Date.

(b) The District hereby directs the Escrow Bank to hold $31,279,653.75 of moneys in the Escrow Fund uninvested.

(c) The Escrow Bank hereby acknowledges receipt of the written Verification Report of Grant Thornton LLP, certified public accountants, dated July 30, 2014 relating to the redemption of the Refunded Bonds on the Redemption Date (the "Verification Report").

SECTION 2. Use of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

(a) to hold the balance of the Escrow Fund uninvested as cash; and

(b) to make the payments required under Section 3 hereof at the times set forth in Section 3 hereof.

SECTION 3. Refunding of the Refunded Bonds. From the amounts on deposit in the Escrow Fund, the Escrow Agent shall pay on September 1, 2014, the regularly scheduled payment of principal of and interest on the Refunded Bonds and pay on September 1, 2014, the Redemption Price of the Refunded Bonds. The District hereby directs the Escrow Bank to complete any and all actions necessary to be taken by the Prior Trustee in connection with the redemption of the Refunded Bonds pursuant to the Prior Indenture on the Redemption Date.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, directors, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement; provided, however, that the District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective agents and employees or the breach by the Escrow Bank of the terms of this Escrow Agreement. In no event shall the District or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section 5. The indemnities contained in this Section 5 shall survive the termination of this Escrow Agreement.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the

District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the deposit of moneys in the Escrow Fund to accomplish the refunding of the Refunded Bonds on the Redemption Date or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

The liability of the Escrow Bank to make the payments required by this Escrow Agreement shall be limited to the moneys in the Escrow Fund.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall not be liable for the accuracy of any calculations provided herein.

Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, redemption or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank's understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses,

costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 7. Irrevocable Instructions as to Notice. The Escrow Bank hereby acknowledges that upon the funding of the Escrow Fund as provided in this Escrow Agreement, the receipt of the Verification Report described in Section 1(c) of this Escrow Agreement and the Irrevocable Instructions and Request to Trustee attached hereto as Schedule C it is in receipt of the items constituting all of the conditions precedent to the redemption of the Refunded Bonds under the Prior Indenture.

SECTION 8. Amendments. This Escrow Agreement is made for the benefit of the District and the holders from time to time of the Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the District, as defined in the Indenture; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest evidenced and represented by the Bonds and the Bonds will not be adversely affected for federal income tax purposes, the District and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Escrow Agreement additional funds, securities or properties. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 8, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 8.

SECTION 9. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Escrow Agreement, or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank and all amounts owed to the Escrow Bank shall have been paid in full. Any unclaimed money which remains in the Escrow Fund for 2 years from the date upon which the Refunded Bonds have been paid in accordance with this Escrow Agreement shall be remitted by the Escrow Bank to the District.

SECTION 10. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Escrow Agreement.

SECTION 11. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the District or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 12. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 13. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

SECTION 14. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 15. Assignment. This Escrow Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the District.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers and attested as of the date and year first written above.

By: Gloriette Genereux
Director of Finance of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ATTEST:

Stephanie Lo
City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank

By: _____
Authorized Officer

SCHEDULE A

[Reserved]

SCHEDULE B

REDEMPTION PRICE OF REFUNDED BONDS

Payment For Refunded Bonds

Payment Date	*Maturing Principal*	*Principal Redeemed*	*Interest*	*Redemption Premium*	*Required Deposit to the Escrow Fund*
September 1, 2014	$345,000	$29,580,000	$763,053.75	$591,600.00	$31,279,653.75

Cash deposited on July 30, 2014 in the Escrow Fund in the amount of $31,279,653.75 in the Escrow Fund shall be held uninvested.

SCHEDULE C

IRREVOCABLE INSTRUCTIONS AND REQUEST TO TRUSTEE

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

ESCROW AGREEMENT RELATING TO THE REFUNDING OF
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
SPECIAL TAX BONDS
(the "Refunded Bonds")

Ladies and Gentlemen:

As Trustee under that certain Trust Indenture dated as of March 1, 2006, between the District and The Bank of New York Trust Company, N.A., the predecessor Trustee (the "Indenture"), you are hereby notified of the irrevocable election of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) to redeem on September 1, 2014 all of the outstanding Bonds (as such term is defined in the Indenture) issued pursuant to the Indenture (the "Refunded Bonds").

You are hereby instructed to provide, as set forth in the Indenture, notice of redemption of the Refunded Bonds scheduled to be redeemed prior to maturity. Such notice is substantially in the form required by the Indenture, a copy of which is annexed hereto as Exhibit X.

You are hereby further irrevocably instructed to mail, as soon as practicable, a notice to the holders of the Refunded Bonds (in the form annexed hereto as Exhibit Y) that the deposit of moneys has been made with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal, redemption price and interest due on said Refunded Bonds outstanding as such become due or are subject to redemption.

By: _____
Director of Finance of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

Receipt acknowledged and consented to:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank and Trustee

By: _____
Authorized Officer

EXHIBIT X

CONDITIONAL NOTICE OF FULL REDEMPTION
to the Holders of
City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
Special Tax Bonds

CUSIP #s: 607800BA6, 607800BB4, 607800BC2, 607800BD0, 607800BE8, 607800BF5, 607800BG3, 607800BH1

NOTICE IS HEREBY GIVEN, pursuant to the terms of the Trust Indenture (the "Indenture") dated as of March 1, 2006, between the City of Modesto Community Facilities District No. 2004-1 (Village One #2), as Issuer, and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to The Bank of New York Trust Company, N.A., as Trustee, that outstanding Bonds, in the aggregate principal amount of $29,580,000, have been called for redemption in full on September 1, 2014 (the "Redemption Date") at a price of 102% of the principal amount thereof (the "Redemption Price"), conditioned upon the successful issuance of refunding bonds on or about July 30, 2014. If the successful issuance of refunding bonds does not occur on or about July 30, 2014, the Trustee shall give written notice to the Bondholders that the redemption of Bonds is cancelled and the notice of redemption is rescinded and the Bonds will remain outstanding in accordance with the Indenture.

Payment of the Redemption Price on the Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

By First Class/Registered/ Certified Mail:	Express Delivery Only:	By Hand Only:
The Bank of New York Mellon Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor New York, NY 10286

Subject to the terms of this Conditional Notice of Full Redemption, Bondholders are required to surrender their Bonds to the Trustee at the address above on the Redemption Date and there will become due and payable on each of the Bonds the principal amount thereof and the premium thereon, and from and after such Redemption Date interest thereon shall cease to accrue.

IMPORTANT NOTICE

Under Section 3406(a)(l) of the Internal Revenue Code, the paying agent making payment of interest or principal on securities may be obligated to withhold a percentage of the payment to a holder who has failed to furnish the registrar with a valid taxpayer identification number, certification that the number supplied is correct, and that the holder is not subject to backup withholding. Holders of the Bonds who wish to avoid the application of these provisions should submit either a completed IRS Form W-9 (use only if the holder is a US. person, including a resident alien), or the appropriate Form W-8 (use only if you are neither a U.S. person or a resident alien), when presenting the Bonds for payment. See IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. Publication 515 and W-8 forms and instructions are available through the IRS website at www.irs.gov.

* The CUSIP numbers are included solely for the convenience of the Holders of the Bonds. Neither the Issuer nor the Trustee shall be responsible for any error of any nature relating to such numbers.

Dated: _____, 2014 **By: The Bank of New York Mellon Trust Company, N.A., as Trustee**

EXHIBIT Y

NOTICE OF DEFEASANCE OF
OUTSTANDING
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
SPECIAL TAX BONDS
(the "Refunded Bonds")

CUSIP NOS. 607800AZ2, 607800BA6, 607800BB4, 607800BC2, 607800BD0, 607800BE8, 607800BF5, 607800BG3, 607800BH1

Notice is hereby given to the holders of the above-captioned Bonds (the "Refunded Bonds") that (i) the Refunded Bonds will be redeemed and defeased; (ii) there has been deposited with The Bank of The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, moneys as permitted by that certain Trust Indenture, dated as of March 1, 2006, between the District and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to The Bank of New York Trust Company, N.A., as Trustee (the "Trustee") (the "Indenture"), relating to the Refunded Bonds, sufficient and available to pay the principal of and interest on the Refunded Bonds on September 1, 2014 and to redeem on September 1, 2014 the Refunded Bonds at the applicable redemption price contained in the Indenture; and (iii) the Escrow Bank has been irrevocably instructed to redeem such outstanding Refunded Bonds on September 1, 2014.

At least 30 days, but not more than 60 days, prior to September 1, 2014, in accordance with the terms of the Indenture, the Trustee has mailed a redemption notice for such Refunded Bonds.

If you have any questions regarding this notice, please contact Bondholder Relations at (800) 254-2826.

Dated this __ day of _____, 2014.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

CONTINUING DISCLOSURE AGREEMENT OF THE DISTRICT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of July 1, 2014, is executed and delivered by City of Modesto Community Facilities District No. 2004-1 (the "Issuer") and Goodwin Consulting Group, Inc., as dissemination agent, in connection with the issuance and delivery by the Issuer of the Issuer's 2014 Special Tax Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 2014-272 and that certain Trust Indenture (the "Indenture"), dated as of July 1, 2014, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Issuer covenants as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"*Disclosure Representative*" shall mean the Director of Finance, or such other officer or employee as the City shall designate in writing to the Dissemination Agent from time to time.

"*Dissemination Agent*" shall mean, initially, Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the Issuer which has filed with the then current Dissemination Agent a written acceptance of such designation.

"*EMMA*" shall mean the Electronic Municipal Market Access system of the MSRB.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"*Participating Underwriter*" shall mean Stifel Nicolaus & Company, Incorporated.

"*Repository*" shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Tax-exempt*" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preferences or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) Not later than nine months immediately following the end of the Issuer's fiscal year, commencing April 1, 2015, the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Issuer's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The Issuer will promptly notify the Repository of a change in the fiscal year dates.

(b) In the event that the Dissemination Agent is an entity other than the Issuer, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer will be filing the Annual Report in compliance with subsection (a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(c) If the Issuer is the Dissemination Agent and the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository in substantially the form attached to this Disclosure Agreement as Exhibit A. If the Dissemination Agent is other than the Issuer and if the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository if other than the MSRB; and

(ii) promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Agreement, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the Issuer then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report may be filed without audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the Issuer shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the Issuer shall modify the basis upon which its financial statements are prepared, the Issuer shall provide a notice of such modification to the Repository, including a reference to the specific federal or State law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of Bonds outstanding as of September 30 of each year;

(ii) the balance in each fund under the Indenture as of the September 30 preceding the filing of the Annual Report, including the Reserve Account and a statement of the Reserve Requirement;

(iii) any changes to the Rate and Method approved or submitted to the electors for approval prior to the filing of the Annual Report;

(iv) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes;

(v) the identity of any property owner whose delinquent special taxes represent more than 5% of the amount levied and the number of lots, assessed value, delinquency amount value-to-lien ratios, prior delinquencies and foreclosure status of the applicable properties;

(vi) information regarding the percentage of delinquency, if any, in the collection of special taxes levied on property in the District for the Fiscal Year preceding the Annual Report date in the form set forth in Table 7, the number of parcels delinquent, amount delinquent compared to the total levy and the assessed value of each delinquent parcel;

(vii) the annual assessed valuation of Developed Property and Undeveloped Property (as such terms are defined in the Rate and Method) within the District;

(viii) the annual special tax levy on Developed Property and Undeveloped Property within the District;

(ix) an update to Table 8 in the Official Statement titled "City of Modesto Community Facilities District No. 2004-1 (Village One #2) Top Ten Taxpayers;

(x) a statement as to whether there have been any changes to the District's status with respect to the County's Teeter Plan (as set forth in California Revenue and Taxation Code Section 4701-4717); and

(xi) any information not already included under (i) through (x) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

In addition to any of the information expressly required to be provided under paragraphs (a) or (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements set forth in clauses (i) to (vii), in the light of the circumstances under which they were made, not misleading.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);

6. tender offers;

7. defeasances;

8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

3. appointment of a successor or additional trustee or the change of the name of a trustee;

4. nonpayment related defaults;

5. modifications to the rights of Owners of the Bonds;

6. notices of redemption; and

7. release, substitution or sale of property securing repayment of the Bonds.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Special District Financing and Administration. The Dissemination Agent may resign by providing (i) thirty days written notice to the Issuer, and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 8. Amendment.

(a) This Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the Owners, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Participating Underwriter, to the same effect as set forth in clause (2) above, (4) the Issuer shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the Owners or Beneficial Owners, or such amendment shall have been approved by the Owners in the same manner as an amendment to the Indenture, and (5) the Issuer shall have delivered copies of such opinion and amendment to the Repository.

(b) This Disclosure Agreement also may be amended by written agreement of the parties upon obtaining consent of Owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Owners of the Bonds; provided that the conditions set forth in Section 8(a)(1), (2) and (3) have been satisfied.

(c) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The District acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended may apply to the District, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the District under such laws.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent other than the Issuer shall be paid (i) compensation by the Issuer for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Issuer pursuant to this Disclosure Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this

Disclosure Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Governing Law. This Disclosure Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 15. Notices. Any notice or communications to be among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Community Facilities District No. 2004-1 of the City of Modesto P.O. Box 642 Modesto, California 95353 Attention: Director of Finance Telephone: (209) 577-5371 Facsimile: (209) 571-5880
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, 4th Floor Los Angeles, California 90071 Attention: Corporate Trust Telephone: (213) 630-6231 Facsimile: (213) 630-6215
To the Dissemination Agent:	Goodwin Consulting Group, Inc. 555 University Avenue, Suite 280 Sacramento, California 95825 Attention: Susan Goodwin Telephone: (916) 561-0890 Facsimile: (916) 561-0891
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, California 94104 Attention: Ralph Holmes Telephone: (415) 364-5965 Facsimile: (415)364-7765

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. Future Determination of Obligated Persons. In the event the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the District to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the District to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the District pursuant to Section 4 and Section 5 hereof. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

SECTION 17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

SECTION 18. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

COMMUNITY FACILITIES DISTRICT NO. 2004-1
OF THE CITY OF MODESTO

By: _____
Its: Mayor of the City of Modesto, which is acting in its capacity as the legislative body of Community Facilities District No. 2004-1 of the City of Modesto

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

By: _____
Its: Authorized Officer

SECTION 16. Future Determination of Obligated Persons. In the event the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the District to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the District to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the District pursuant to Section 4 and Section 5 hereof. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

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SECTION 18. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

COMMUNITY FACILITIES DISTRICT NO. 2004-1
OF THE CITY OF MODESTO

By: _____
Its: Mayor of the City of Modesto, which is acting in its capacity as the legislative body of Community Facilities District No. 2004-1 of the City of Modesto

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

By: Victor Lyle
Its: Authorized Officer

EXHIBIT A

NOTICE TO THE REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO (VILLAGE ONE #2)

Name of Bond Issue: $29,320,000 COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO 2014 Special Tax Refunding Bonds

Date of Issuance: July 30, 2014

NOTICE IS HEREBY GIVEN that Community Facilities District No. 2004-1 of the City of Modesto (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of July 1, 2014. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

cc: City of Modesto

REPORT OF PROPOSED DEBT ISSUANCE

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
Tel: (916) 653-3269 Fax: (916) 654-7440

Submitted: Wednesday, July 16, 2014
10:25:52AM

Your completion and submittal of this on-line form assures your compliance with existing California State law[1] and will assist in the maintenance of a complete database of public debt in California. Thank you for your cooperation.

ISSUER NAME: City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ISSUE NAME: 2014 Special Tax Refunding Bonds

Please specify type/ name of project:

PROPOSED SALE DATE: 7/16/2014 **PRINCIPAL TO BE SOLD:** $31,000,000.00

WILL A VALIDATION ACTION BE PURSUED: [X] No [ ] Yes [ ] Unknown

IS ANY PORTION OF THE DEBT FOR REFUNDING?[2] [ ] No [X] Yes, proposed amount for refunding $31,000,000.00

Issuer Contact

Name: Gloriette Genereux E-Mail: ggenereux@modestogov.com

Title: Director of Finance

Address 1010 10th Street

City Modesto, CA 95354

Phone: 209 5775371 ISSUER LOCATED IN Stanislaus COUNTY

Filing Contact

Name of Individual representing Bond Counsel who completed this form and maybe contacted for information:

Name: Bradley R. Neal E-Mail: bneal@sycr.com

Firm/ Agency: Stradling Yocca Carlson & Rauth

Address: 660 Newport Center Drive, Suite 1600

City Newport Beach, CA 92660

Phone 949 7254164

Send acknowledgement to: Quang Le E-Mail: qle@sycr.com

FINANCING PARTICIPANTS

BOND COUNSEL: Stradling Yocca Carlson & Rauth

FINANCIAL ADVISOR: Public Financial Management, Inc.

UNDERWRITER\ PURCHASER: Stifel, Nicolaus & Company, Incorporated

IS THE INTEREST ON THE DEBT TAXABLE?

Under State Law: [ ] YES (taxable) [X] NO (tax-exempt)

Under Federal Law: [ ] YES (taxable) [X] NO (tax-exempt)

If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?

[ ] YES, preference item [X] NO, not a preference item

TYPE OF SALE [ ] **Competitive** [X] **Negotiated**

IS THIS FINANCING A PRIVATE PLACEMENT? [X] **No** [ ] **Yes**

1 Section 8855(g) of the California Government Code requires the issuer of any proposed new public debt issue to give written notice of the proposed sale to the CDIAC no later than 30 days prior to the sale. Under California Government Code Section 8855(i), "The issuer of any new public debt issue shall, not later than 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, submit a report of final sale and official statement to the commission. The Commission may require information to be submitted in the

2 Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to the CDIAC explaining the reasons why the local agency determined to sell the bonds at private sale or on a negotiated basis instead of at public sale.

TYPE OF DEBT INSTRUMENT

NOTE

- [ ] Bond anticipation (BAN)
- [ ] Grant obligation (GAN)
- [ ] Other note (Please specify below.) (OTHN)
- [ ] Revenue anticipation (RAN)
- [ ] Tax allocation (TALN)
- [ ] Tax and revenue anticipation (TRAN)
- [ ] Tax anticipation (TAN)
- [ ] Commercial paper (CP)
- [ ] Certificates of Participation/ leases (COPL)
- [ ] Other (Please specify below.) (OTH)

Bond

- [ ] Conduit revenue (Private obligor) (CRB)
- [ ] General obligation (GOB)
- [X] Limited tax obligation(LTOB)
- [ ] Other bond (Please specify below.) (OTHB)
- [ ] Public lease revenue (PLRB)
- [ ] Revenue (Pool) (RB)
- [ ] Revenue (Public enterprise) (PERB)
- [ ] Sales tax revenue (STRB)
- [ ] Special assessment (SAB)
- [ ] Tax allocation (TAB)

Please specify if "Other Note/ Other Bond/ Other" was checked.

SOURCE(S) OF REPAYMENT

- [ ] Bond proceeds (BDPR)
- [ ] General fund of issuing jurisdiction (GNFD)
- [ ] Grants (GRNT)
- [ ] Intergovernmental transfers other than grants (I
- [ ] Local obligor (LOB)
- [ ] Private obligor payments (POP)
- [ ] Other (OTHS)
- [X] Property tax revenues (PRTX)
- [ ] Public enterprise revenues (PER)
- [ ] Sales tax revenues (SATR)
- [ ] Special assessments (SA)
- [ ] Special tax revenues (SPTR)
- [ ] Tax-increment (TI)

Please specify if "Other" was checked.

PURPOSE(S) OF FINANCING

- [ ] Cash flow, interim financing (CFIF)
- [ ] Project, interim financing (PIF)
- [ ] College/university housing (CUH)
- [ ] Multifamily housing (MFH)
- [ ] Single-family housing (SFH)
- [ ] Health care facilities (HCF)
- [ ] Hospital (HOSP)
- [ ] Other/multiple health care purposes (equipment; etc.)(OM
- [ ] College/university facility (CUF)
- [ ] K-12 school facility (KSCH)
- [ ] Other/multiple educational uses (equipment, etc.) (OMED)
- [ ] Student Loans (SLC)
- [ ] Redevelopment, multiple uses (RD)
- [ ] Commercial development (CMDV)
- [ ] Industrial development (INDV)
- [ ] Pollution control (PC)
- [ ] Airport (APRT)
- [ ] Bridges and highways (BRHI)
- [ ] Convention center (CCTR)
- [ ] Equipment (EQUP)
- [ ] Flood control/storm drainage (FLDS)
- [X] Multiple capital improvements and public works (MCAP)
- [ ] Other capital improvements and public works (OCAP)
- [ ] Parking (PRKG)
- [ ] Parks/Open space (PRKO)
- [ ] Ports and marinas (PRTS)
- [ ] Power generations/transmission (PWR)
- [ ] Prisons/jails/correctional facilities (PRSN)
- [ ] Public building (PB)
- [ ] Public transit (PTR)
- [ ] Recreation and sports facilities (RCSP)
- [ ] Seismic safety improvments/repair (SSI)
- [ ] Solid waste recovery facilities (SWST)
- [ ] Street construction and improvements (SCI)
- [ ] Wastewater collection and treatment (WSTW)
- [ ] Water supply/storage/distribution (WTR)
- [ ] Insurance/pension funds (IPF)
- [ ] Other than listed above (OTH)

Please specify type/ name of project if different from above.

3 Certain local government issuers of housing bonds are required to obtain a certification from the State Treasurer attesting to their compliance with the State housing reporting requirements prior to issuance of the bonds to finance single- or multifamily housing.

STATE OF CALIFORNIA

Bill Lockyer
State Treasurer and Chair

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION
915 CAPITOL MALL ROOM 400
PO BOX 942809
SACRAMENTO, CA 94209-0001
TELEPHONE: (916) 653-3269
FAX: (916) 654-7440

July 22, 2014

TO: Quang Le
Stradling Yocca Carlson & Rauth
660 Newport Center Drive Suite 1600
Newport Beach, CA 92660

FROM: Mark Campbell, Executive Director

RE: **RECEIPT OF NOTICE OF A PUBLIC DEBT ISSUE ON/AFTER THE SALE DATE**

California Government Code Section 8855 requires that written notice be filed with the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the proposed sale date. The following notice was received late.

CDIAC Nbr:	2014-1154
Issuer:	Modesto CFD No 2004-1
Project:	Village One #2
Proposed Amount:	$31,000,000
Proposed Sale Date:	July 16, 2014
Date Notice Received:	July 16, 2014

Issuers may electronically file the Report of Final Sale through CDIAC's website, using the following information:

CDIAC Number:	2014-1154
Password:	25005428

A CDIAC Number and Password will be provided for each electronic filing of the Report of Proposed Debt Issuance. This information is unique to this filing and must be used for any subsequent reporting under this CDIAC Number.

Please submit the Report of Final Sale and the Official Statement/Offering Memorandum or other Bond Documents in accordance with Government Code Section 8855 on this issue within 45 days of the signing of the bond purchase contract or the acceptance of a bid to purchase the debt, to www.treasurer.ca.gov/cdiac/reporting.asp under the heading "Reporting Forms". Official Statements/Offering Memorandums or other Bond Documents can be sent by e-mail to CDIAC_issuance@treasurer.ca.gov.

Any questions regarding reporting requirements may be directed to CDIAC's Data Unit at (916) 653-3269.

Cc: Gloriette Genereux
Director of Finance

REPORT OF FINAL SALE

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
Tel: (916) 653-3269 Fax: (916) 654-7440

Submitted: Thursday, August 14, 2014 3:00:21PM

CDIAC # 2014-1154

Under California Government Code Section 8855(i), "The issuer of any new public debt issue shall, not later than 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, submit a report of final sale and official statement (or alternate bond documents) to the Commission. The Commission may require information to be submitted in the report of final sale that is considered appropriate."

ISSUER NAME City of Modesto Community Facilities District No. 2004-1 (Village One #2)
(if pool bond, list participants)

ISSUE NAME 2014 Special Tax Refunding Bonds

IF THIS IS A POOLED FINANCING, WHICH ISSUANCE STATUTE IS IT AUTHORIZED UNDER?

Mello-Roos Community Facilities Act of 1982

ACTUAL SALE DATE: 7/16/2014 **PRINCIPAL SOLD:** $29,320,000.00 **DATED DATE:** 7/30/2014

IS ANY PORTION OF THE DEBT FOR REFUNDING?[1]

☐ No ☒ Yes, refunding amount (including costs) $29,320,000.00

Issuer Contact :

Name : Gloriette Genereux

Title : Director of Finance

Address : 1010 10th Street

City/ State/ Zip Modesto, CA 95354

Phone: (209) 577-5211 **ISSUER LOCATED IN** **Stanislaus** **COUNTY**

E-Mail : ggenereux@modestogov.com

Filing Contact: Name of Individual representing Bond Counsel who completed this form and may be contacted for information.

Name : Bradley R. Neal

Firm/ Agency : Stradling Yocca Carlson & Rauth

Address : 660 Newport Center Drive, Suite 1600

City/ State/ Zip Newport Beach, CA 92660

Phone: (949) 725-4164

E-Mail : bneal@sycr.com

Send acknowledgement/ copies to : Quang Le

E-Mail : qle@sycr.com

TYPE OF SALE : ☒ Negotiated ☐ Competitive **IS THIS FINANCING A PRIVATE PLACEMENT?** ☒ No ☐ Yes

Name of individual to whom an invoice for the CDIAC issue fee should be sent : [2]

Name : Ralph J. Holmes

Firm/ Agency Stifel, Nicolaus & Company, Incorporated

Address : One Montgomery Street, 35th Floor

City/ State/ Zip San Francisco, CA 94104

Phone: (415) 364-5967

E-Mail : rholmes@stifel.com

1 Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to CDIAC explaining the reasons why the local agency determined to sell the bonds at a private sale or on a negotiated basis instead of at a public sale.

2 This fee is authorized by Section 8856 of the California Government Code and is charged to the lead underwriter or purchaser of the issue. The fee is administratively sent by the Commission. The current fee schedule may be obtained from CDIAC.

FINANCING PARTICIPANTS (Firm Name) **Office Location** (City/ State) :

Financial Advisor :	The PFM Group/Public Financial Management Inc	Los Angeles, CA
Lead Underwriter/ Purchaser	Stifel Nicolaus & Company Inc	San Francisco, CA
Borrower Counsel (Loan):		,
Bond Counsel :	Stradling Yocca Carlson & Rauth	Newport Beach, CA
Co-Bond Counsel :		,
Trustee/ Paying Agent :	The Bank of New York Mellon Trust Company, N.A.	Los Angeles, CA
Placement Agent :		,

MATURITY SCHEDULE

☐ Attached ☒ Included in Official Statement

MATURITY STRUCTURE

☐ Serial (S) ☐ Term (T)

☒ Serial and term bonds (B)

FINAL MATURITY DATE: 9/1/2036

FIRST OPTIONAL CALL DATE: 9/1/2024

SENIOR STRUCTURE: ☐ Yes ☒ No

SUBORDINATE STRUCTURE: ☐ Yes ☒ No

OFFICIAL STATEMENT/ OFFERING MEMORANDUM :

☒ Enclosed ☐ None prepared

WAS THE ISSUE INSURED OR GUARANTEED?

☐ No

☒ Bond Insurance (I)

☐ Letter of Credit (L)

☐ State Intercept Program (T)

☐ Other

GUARANTOR : Assured Guaranty Municipal Corp.

ENHANCEMENT EXPIRATION DATE: 9/1/2036

INDICATE CREDIT RATING: (For example, "AAA" or "Aaa")

☐ Not Rated ☒ Rated

Standard & Poor's AA/BBB-

Fitch

Moody's

Other

REASON FOR NEGOTIATED REFUNDINGS

If the issue is a negotiated refunding, indicate the reason(s) why the bonds were issued at a private or negotiated versus a competitive sale.

☐ (1) Timing of the sale provided more flexibility than a public sale.

☐ (2) More cost savings were expected to be realized than a public sale

☐ (3) More flexibility in debt structure was available than a public sale.

☐ (4) Issuer able to work with participants familiar with issue(r) than a public sale.

☒ (5) All of the above.

IS THE INTEREST ON THE DEBT EXEMPT FROM TAXATION?

Under State Law: ☐ Yes (taxable) ☒ No (tax-exempt)

Under Federal Law: ☐ Yes (taxable) ☒ No (tax-exempt)

If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax? ☐ Yes ☒ No

INTEREST TYPE (Please provide both NIC & TIC if available) :

☒ NIC Int. Cost 4.143%

☒ TIC Int. Cost 4.055%

☐ Variable ☐ Other (Index/Rate)

CAPITAL APPRECIATION BOND: ☐ Yes ☒ No

RATE REDUCTION SAVINGS: $0.00

(In accordance with Government Code Section 6588.7)

ISSUANCE COSTS AND FEES :

A. Management Fee	$141,987.50
B. Total Takedown	$19,999.99
C. Underwriter Expenses	$31,742.80
Underwriter Spread or Discount	$0.00
D. Bond Counsel	$60,000.00
E. Borrower Counsel (Loan)	$0.00
F. Co-Bond Counsel	$0.00
G. Disclosure Counsel	$0.00
H. Financial Advisor	$52,000.00
I. Rating Agency	$23,000.00
J. Credit Enhancement	$368,695.74
K. Trustee Fee	$3,000.00
L. Placement Agent	$0.00
M. Other Expenses	$0.00
Total Issuance Costs	$0.00
Original Issue Premium	$0.00
Original Issue Discount	$0.00
Net Original Premium/ Discount	$1,472,057.05

☐ (6) Other (please specify)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE AS TO FINALITY
OF THE PRELIMINARY OFFICIAL STATEMENT

I, H. Brent Sinclair, AICP, , hereby certify that I am the duly appointed, qualified and acting Director of Community & Economic Development of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and as such I am authorized to execute this Certificate on behalf of the District.

I hereby further certify that there has been delivered to Stifel, Nicolaus & Company, Incorporated, as the underwriter (the "Underwriter") of the District's 2014 Special Tax Refunding Bonds, (the "Bonds"), a preliminary official statement, dated July 9, 2014 (the "Preliminary Official Statement"), which the District deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the information permitted by Rule 15c2-12 to be omitted therefrom with respect to the Bonds.

The District hereby approves of the use and distribution by the Underwriter of the Official Statement.

IN WITNESS WHEREOF, I hereunto set my hand this 9th day of July, 2014.

CITY OF MODESTO COMMUNITY FACILITIES
DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: _____
H. Brent Sinclair, AICP
Director of Community & Economic Development

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE AS TO FINALITY
OF THE PRELIMINARY OFFICIAL STATEMENT

I, H. Brent Sinclair, AICP, , hereby certify that I am the duly appointed, qualified and acting Director of Community & Economic Development of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and as such I am authorized to execute this Certificate on behalf of the District.

I hereby further certify that there has been delivered to Stifel, Nicolaus & Company, Incorporated, as the underwriter (the "Underwriter") of the District's 2014 Special Tax Refunding Bonds, (the "Bonds"), a preliminary official statement, dated July 9, 2014 (the "Preliminary Official Statement"), which the District deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the information permitted by Rule 15c2-12 to be omitted therefrom with respect to the Bonds.

The District hereby approves of the use and distribution by the Underwriter of the Official Statement.

IN WITNESS WHEREOF, I hereunto set my hand this 9th day of July, 2014.

CITY OF MODESTO COMMUNITY FACILITIES
DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: _____
H. Brent Sinclair, AICP
Director of Community & Economic Development

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INCUMBENCY AND SIGNATURE CERTIFICATE OF THE CITY/COMMUNITY FACILITIES DISTRICT

On this 30th day of July, 2014, each of the undersigned hereby certifies that he or she is now the duly elected or appointed and qualified officer of the City of Modesto (the "City") holding the office of the City set forth below adjacent to his or her name, and that the signature affixed opposite his or her name is his or her genuine signature.

Garrad Marsh, Mayor, and Stephanie Lopez, City Clerk, further certify that they were duly authorized by the City Council of the City, acting in its capacity as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District"), to execute, on behalf of the Community Facilities District, the Community Facilities District's 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds") issued in accordance with Resolution No. 2014-272 adopted on July 1, 2014 (the "Resolution of Issuance"), and that, pursuant to such authority, the Bonds have been executed by the facsimile signatures of the Mayor and the City Clerk, each of whom hereby adopts their respective facsimile signature thereon. The Mayor and the City Clerk hereby further certify that each of them has filed with the Secretary of State of the State of California their manual signatures, certified by each of them under oath as provided by the Uniform Facsimile Signatures of Public Officials Act (Government Code Section 5550 *et seq.*).

Each of the undersigned further certifies that he or she was duly authorized by the Community Facilities District pursuant to the Resolution of Issuance to execute each of the documents that he or she executed on behalf of the Community Facilities District in connection with the issuance of the Bonds.

All capitalized terms used herein without definition shall have the meanings assigned to such terms in the Bond Purchase Agreement, dated July 16, 2014, by and between Stifel, Nicolaus & Company, Incorporated, as Underwriter, and the City, for itself and on behalf of the Community Facilities District.

IN WITNESS WHEREOF, the undersigned have signed this certificate as of the date first above written.

Name	Office	Signature
Garrad Marsh	Mayor	
Glorriette Genereux	Director of Finance	
Stephanie Lopez	City Clerk	

The undersigned is the Deputy City Manager of the City of Modesto and hereby states that the foregoing signatures are the true and correct signatures of the persons named above.

Deputy City Manager of the City of Modesto

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE OF THE CITY CLERK
BRINGING FORWARD RESOLUTIONS AND ORDINANCE

I hereby certify that the resolutions and the ordinance listed on Exhibit A attached hereto previously adopted by the City Council of the City of Modesto, acting in its capacity as the legislative body of City of Modesto Community Facilities District No. 2004-1, have not been amended, supplemented, superseded or rescinded since their respective dates of adoption, except to the extent expressly set forth in the resolutions and the ordinance listed on Exhibit A attached hereto.

Dated: July 30, 2014

CITY OF MODESTO

By: Stephanie Lopez
City Clerk

EXHIBIT A

RESOLUTIONS

Resolution Nos. 2004-127, 2004-128, 2004-199, 2004-200, 2004-201, 2004-592, 2004-681, 2004-683, 2005-566, 2004-146, 2004-246A, 2004-246, 2004-249, 2004-326, 2004-327, 2004-409, 2004-466, 2004-467, 2004-458, 2004-569, 2004-570, 2004-545, 2004-679, 2004-680, 2005-011, 2004-116, 2004-117, 2005-073, 2005-312, 2005-313, 2005-320, 2005-454, 2005-455, 2005-424, 2005-522, 2005-523, 2005-456, 2005-562, 2005-563, 2006-066, 2006-152, 2006-153, 2006-228, 2006-379, 2006-380, 2006-528, 2006-688, 2006-689, 2008-298, 2008-403, 2008-404, and 2014-272

ORDINANCE

Ordinance Nos. 3345-C.S. and 3392-C.S

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE OF CITY CLERK REGARDING COMMUNITY FACILITIES DISTRICT DOCUMENTS

On this 30th day of July, 2014, the undersigned, City Clerk of the City of Modesto (the "City"), acting on behalf of itself and in its capacity as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District"), does hereby certify that:

1. The following documents have been duly executed by the City, or the Community Facilities District, as the case may be: (i) the Bond Indenture, dated as of July 1, 2014 (the "Bond Indenture"), by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as trustee (ii) the Escrow Agreement, date as of July 1, 2014 (the "Escrow Agreement"), by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as escrow bank, (iii) the Bond Purchase Agreement, dated July 16, 2014 (the "Purchase Agreement"), by and between Stifel, Nicolaus & Company, Incorporated, as Underwriter, and the City, for itself and on behalf of Community Facilities District and (iv) the Continuing Disclosure Agreement, dated as of July 1, 2014, by and between the Community Facilities District and Goodwin Consulting Group, Inc., as Dissemination Agent (the "Continuing Disclosure Agreement" and collectively, with the Bond Indenture, the Escrow Agreement and the Purchase Agreement, the "Community Facilities District Documents").

2. The Community Facilities District Documents are true and correct copies of the ones duly approved by City Council of the City.

All capitalized terms used herein without definition shall have the meanings assigned to such terms in the Purchase Agreement.

CITY OF MODESTO

By: _____
City Clerk

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CLOSING CERTIFICATE OF THE CITY

The undersigned, on behalf of the City of Modesto, California (the "City"), for itself and on behalf of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), hereby makes the following certifications pursuant to Section 3(c) of the Bond Purchase Agreement, date July 16, 2014 (the "Purchase Agreement"), by and between the City, for itself and on behalf of the District, and Stifel, Nicolaus & Company, Incorporated, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

(1) I am a duly authorized officer of the City and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

(2) The representations and warranties of the City contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

(3) The District has complied with all the material agreements and satisfied all the conditions on its part to be performed or satisfied under the Formation Documents, the District Documents and the Official Statement at or prior to the Closing Date.

(4) The District is currently in compliance with the requirements of Rule 15c2-12 in all material respects.

(5) To the best of my knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds and the Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

Dated: July 30, 2014

CITY OF MODESTO, CALIFORNIA, for itself and on behalf of CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Gloriette Gerpereux
Director of Finance of the City of Modesto

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INSTRUCTIONS TO TRUSTEE

The undersigned, Director of Finance of the City of Modesto (the "City"), hereby states and certifies to The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") under Resolution No. 2014-272 adopted July 1, 2014 (the "Resolution of Issuance"), by the City Council of the City, acting in its capacity as the legislative body of City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District"), and a Bond Indenture, dated as of July 1, 2014 (the "Bond Indenture" together with the Resolution of Issuance, the "Issuance Documents"), executed by the Community Facilities District and accepted by the Trustee, pursuant to the terms thereof, that:

1. The undersigned is a duly appointed Authorized Representative of the City with authority to instruct the Trustee regarding the disbursement and investment of the bond proceeds and authentication of the above-captioned bonds (the "Bonds").

2. Pursuant to the terms of the Issuance Documents, the Community Facilities District has executed and delivered to the Trustee its Bonds, in an aggregate principal amount of $29,320,000. The Trustee is hereby authorized and directed to authenticate the definitive Bonds by signing the certificate of authentication and registration appearing thereon and to deliver said Bonds as FAST Agent on behalf of The Depository Trust Company for the account of Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

3. The Trustee is instructed to apply the portion of the proceeds from the sale of the Bonds received by the Trustee of $30,229,631.02 (consisting of the principal amount of $29,320,000.00, plus a net premium of $1,472,057.05, less an Underwriter's discount of $193,730.29 and less bond insurance premium of $368,695.74), together with $4,006,591.01 (consisting of $2,892,153.59 held in the reserve account, $0.63 in the interest account and $6,383.04 held in the project account, which accounts are held by the Prior Trustee, together with $1,108,053.75 transferred from the District) as follows:

$ 221,368.28	shall be transferred to the Costs of Issuance Fund
2,735,200.00	shall be deposited in the Reserve Account of the Special Tax Fund
27,273,062.74	shall be transferred to the Escrow Bank together with $4,006,591.01 of moneys held by the Prior Trustee, for deposit into the Escrow Fund to the terms of the Escrow Agreement
$34,236,222.03	TOTAL PROCEEDS RECEIVED

4. It is anticipated that the City will pay out of the Costs of Issuance Fund the not-to-exceed amounts indicated in Exhibit A attached hereto.

All capitalized terms used herein without definition shall have the meanings assigned to such terms in the Bond Indenture.

Dated: July 30, 2014

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Gloriette Generaux

Director of Finance of the City of Modesto, acting in its capacity as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2)

EXHIBIT A

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

ESTIMATED COSTS OF ISSUANCE

Payee	Description	Amount
City of Modesto	City Upfront Administrative Fee	$ 25,000.00
Stradling Yocca Carlson & Rauth	Bond Counsel/Disclosure Counsel Fee and Expenses	60,000.00
Public Financial Management, Inc.	Financial Advisor Fee and Expenses	52,000.00
The Bank of New York Mellon Trust Company, N.A.	Trustee/Escrow Bank Fee and Expenses	3,000.00
The Law Office of Samuel D. Waldman	Trustee/Escrow Bank Counsel Fee and Expenses	2,000.00
Digital Assurance Certification, LLC	Continuing Disclosure Compliance	7,500.00
Grant Thornton LLP	Verification Agent	2,500.00
Standard and Poor's Ratings Services	Ratings Agency	23,000.00
Imagemaster, LLC	Printing & Mailing Preliminary Official Statement and Official Statement	3,200.00
Goodwin Consulting Group, Inc.	Special Tax Consultant	25,000.00
CalMuni	Official Statement Tables	600.00
Contingency		17,568.28
TOTAL		$221,368.28

REQUISITION NO. 1 FOR DISBURSEMENT OF COSTS OF ISSUANCE

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

The undersigned, a duly authorized representative of City of Modesto Community Facilities District No. 2004-1 (the "District"), hereby certifies to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") for purposes of disbursing funds from the Costs of Issuance Fund to pay Costs of Issuance that:

(1) The Trustee is to pay to the payees set forth on Exhibit A hereto the amount set forth next to each payee's name for the item described on Exhibit A hereto;

(2) The conditions to the release of these amounts from the Costs of Issuance Fund have been satisfied; and

(3) There has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, stop notice or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on Exhibit A hereto which has not been released or will not be released simultaneously with the payment of such amounts, other than materialmen's or mechanic's liens accruing by mere operation of law.

Dated: July 30, 2014

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Monette Generoux
Authorized Officer

EXHIBIT A

Payee	*Amount Due*	*Purpose of Expenditure*
City of Modesto	$25,000.00	City Upfront Administrative Fee
Stradling Yocca Carlson & Rauth	60,000.00	Bond Counsel/Disclosure Counsel Fee and Expenses
Public Financial Management, Inc.	52,000.00	Financial Advisor Fee and Expenses
The Bank of New York Mellon Trust Company, N.A.	3,000.00	Trustee/Escrow Bank Fee and Expenses
The Law Office of Samuel D. Waldman	2,000.00	Trustee/Escrow Bank Counsel Fee and Expenses
Digital Assurance Certification, LLC	7,500.00	Continuing Disclosure Compliance
Grant Thornton LLP	2,500.00	Verification Agent
Standard and Poor's Ratings Services	21,000.00	Ratings Agency
Imagemaster, LLC	2,328.37	Printing & Mailing Preliminary Official Statement and Official Statement
Goodwin Consulting Group, Inc.	25,000.00	Special Tax Consultant
CalMuni	600.00	Official Statement Tables

IRREVOCABLE INSTRUCTIONS AND REQUEST TO TRUSTEE

July 30, 2014

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

ESCROW AGREEMENT RELATING TO THE REFUNDING OF
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
SPECIAL TAX BONDS
(the "Refunded Bonds")

Ladies and Gentlemen:

As Trustee under that certain Trust Indenture dated as of March 1, 2006, between the District and The Bank of New York Trust Company, N.A., the predecessor Trustee (the "Indenture"), you are hereby notified of the irrevocable election of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) to redeem on September 1, 2014 all of the outstanding Bonds (as such term is defined in the Indenture) issued pursuant to the Indenture (the "Refunded Bonds").

You are hereby instructed to provide, as set forth in the Indenture, notice of redemption of the Refunded Bonds scheduled to be redeemed prior to maturity. Such notice is substantially in the form required by the Indenture, a copy of which is annexed hereto as Exhibit X.

You are hereby further irrevocably instructed to mail, as soon as practicable, a notice to the holders of the Refunded Bonds (in the form annexed hereto as Exhibit Y) that the deposit of moneys has been made with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal, redemption price and interest due on said Refunded Bonds outstanding as such become due or are subject to redemption.

By: Gloriette Gepezeux
Director of Finance of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

Receipt acknowledged and consented to:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank and Trustee

By: _____
Authorized Officer

You are hereby further irrevocably instructed to mail, as soon as practicable, a notice to the holders of the Refunded Bonds (in the form annexed hereto as Exhibit Y) that the deposit of moneys has been made with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal, redemption price and interest due on said Refunded Bonds outstanding as such become due or are subject to redemption.

By: _____
Director of Finance of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

Receipt acknowledged and consented to:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank and Trustee

By: _____
Authorized Officer

EXHIBIT X

CONDITIONAL NOTICE OF FULL REDEMPTION
to the Holders of
City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
Special Tax Bonds

CUSIP #s: 607800BA6, 607800BB4, 607800BC2, 607800BD0, 607800BE8, 607800BF5, 607800BG3, 607800BH1

NOTICE IS HEREBY GIVEN, pursuant to the terms of the Trust Indenture (the "Indenture") dated as of March 1, 2006, between the City of Modesto Community Facilities District No. 2004-1 (Village One #2), as Issuer, and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to The Bank of New York Trust Company, N.A., as Trustee, that outstanding Bonds, in the aggregate principal amount of $29,580,000, have been called for redemption in full on September 1, 2014 (the "Redemption Date") at a price of 102% of the principal amount thereof (the "Redemption Price"), conditioned upon the successful issuance of refunding bonds on or about July 30, 2014. If the successful issuance of refunding bonds does not occur on or about July 30, 2014, the Trustee shall give written notice to the Bondholders that the redemption of Bonds is cancelled and the notice of redemption is rescinded and the Bonds will remain outstanding in accordance with the Indenture.

Payment of the Redemption Price on the Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

By First Class/Registered/ Certified Mail:	Express Delivery Only:	By Hand Only:
The Bank of New York Mellon Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor New York, NY 10286

Subject to the terms of this Conditional Notice of Full Redemption, Bondholders are required to surrender their Bonds to the Trustee at the address above on the Redemption Date and there will become due and payable on each of the Bonds the principal amount thereof and the premium thereon, and from and after such Redemption Date interest thereon shall cease to accrue.

IMPORTANT NOTICE

Under Section 3406(a)(l) of the Internal Revenue Code, the paying agent making payment of interest or principal on securities may be obligated to withhold a percentage of the payment to a holder who has failed to furnish the registrar with a valid taxpayer identification number, certification that the number supplied is correct, and that the holder is not subject to backup withholding. Holders of the Bonds who wish to avoid the application of these provisions should submit either a completed IRS Form W-9 (use only if the holder is a US. person, including a resident alien), or the appropriate Form W-8 (use only if you are neither a U.S. person or a resident alien), when presenting the Bonds for payment. See IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. Publication 515 and W-8 forms and instructions are available through the IRS website at www.irs.gov.

* The CUSIP numbers are included solely for the convenience of the Holders of the Bonds. Neither the Issuer nor the Trustee shall be responsible for any error of any nature relating to such numbers.

Dated: _____, 2014 **By: The Bank of New York Mellon Trust Company, N.A., as Trustee**

EXHIBIT Y

NOTICE OF DEFEASANCE OF
OUTSTANDING
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
SPECIAL TAX BONDS
(the "Refunded Bonds")

CUSIP NOS. 607800AZ2, 607800BA6, 607800BB4, 607800BC2, 607800BD0, 607800BE8, 607800BF5, 607800BG3, 607800BH1

Notice is hereby given to the holders of the above-captioned Bonds (the "Refunded Bonds") that (i) the Refunded Bonds will be redeemed and defeased; (ii) there has been deposited with The Bank of The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, moneys as permitted by that certain Trust Indenture, dated as of March 1, 2006, between the District and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to The Bank of New York Trust Company, N.A., as Trustee (the "Trustee") (the "Indenture"), relating to the Refunded Bonds, sufficient and available to pay the principal of and interest on the Refunded Bonds on September 1, 2014 and to redeem on September 1, 2014 the Refunded Bonds at the applicable redemption price contained in the Indenture; and (iii) the Escrow Bank has been irrevocably instructed to redeem such outstanding Refunded Bonds on September 1, 2014.

At least 30 days, but not more than 60 days, prior to September 1, 2014, in accordance with the terms of the Indenture, the Trustee has mailed a redemption notice for such Refunded Bonds.

If you have any questions regarding this notice, please contact Bondholder Relations at (800) 254-2826.

Dated this __ day of _____, 2014.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

TAX CERTIFICATE

City of Modesto (the "City"), on behalf of, and together with the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Issuer"), hereby make the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certificate in connection with the $29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Obligations"). These representations and covenants are in furtherance of the covenants contained in Section 5.2 of the Bond Indenture dated as of July 1, 2014, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (collectively, the "Issuance Document"), and in part are made pursuant to Section 1.141-2(d)(2) and Section 1.148-2(b)(2) of the Treasury Regulations. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the Issuance Document.

* * *

I. General Matters.

(a) Authority for Issuance. The undersigned and other officers and members of the Issuer are charged with the responsibility of authorizing and requesting the issuance of the Obligations. The Obligations are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended.

(b) Sale of Obligations. The Obligations are being delivered to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") on the date hereof.

(c) Purpose of Obligations. The Obligations are being sold and delivered for the purpose of (i) currently refunding the outstanding City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Tax Bonds, Series 2006 (the "Current Refunded Obligations"), (ii) paying costs of issuance with respect to the Obligations (the "Issuance Costs"), (iii) funding a reasonably required reserve fund for the Obligations, and (iv) purchasing a municipal bond insurance policy (the "Credit Enhancement") from Assured Guaranty Municipal Corp. (the "Credit Enhancer"). The Issuer covenants to use the proceeds of the Obligations solely for the above-described purposes, unless an opinion of Bond Counsel is received permitting uses of proceeds for other than the above-described purposes

The Current Refunded Obligations were issued for new money purposes (the "Project").

(d) Nature of Issue. All the Obligations are being sold and issued at the same time, have been sold pursuant to the same plan of financing, and are reasonably expected to be paid from substantially the same source of funds. Accordingly, the Obligations are a single issue of obligations for certain federal income tax purposes relating to the exclusion from gross income of interest on the

Obligations. No other governmental obligations which are reasonably expected to be paid from substantially the same source of funds are being sold or issued at substantially the same time and sold pursuant to the same plan of financing as the Obligations.

* * *

II. Private Activity.

(a) Governmental Use of Proceeds. Absent an opinion of nationally-recognized bond counsel that the exclusion from gross income of interest on the Obligations will not be adversely affected for federal income tax purposes, and except as provided below, the Issuer will not allow any of the proceeds of the Obligations, or any refinanced obligations thereof, or any of the facilities financed or refinanced with such obligations to be used in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the proceeds of the Obligations or any refinanced obligations to any nongovernmental persons. In furtherance of the foregoing, the Issuer represents the following with respect to the use of proceeds of the Obligations and the facilities financed and refinanced therewith.

(b) In General. No more than 10% of the proceeds of the Obligations or the Project (based on the cost of the components of the Project or, with respect to a unitary structure, on the relative fair rental value of such components) has been or will be used in the aggregate for any activities that constitute a "Private Use" (as such term is defined in Section (e) below). No more than 10% of the principal of or interest on the Obligations, under the terms thereof or any underlying arrangement, has been or will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use.

(c) No Private Loan Financing. No more than the lesser of 5% of the proceeds of the Obligations or $5,000,000 will be used to make or finance loans to any person other than to a state or local governmental unit (other than loans to finance any governmental tax or assessment of general application for a specific essential governmental function or loans that are used to acquire or carry Nonpurpose Investments (as such term is defined below)).

(d) No Disproportionate or Unrelated Use. No more than 5% of the proceeds of the Obligations or the Project has been or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the proceeds of the Obligations (an "Unrelated or Disproportionate Use"), and no more than 5% of the principal of or interest on any of the Obligations has been or will be, under the terms of the Obligations or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Use that is an Unrelated or Disproportionate Use or in payments in respect of property used or to be used for a Private Use that is an Unrelated or Disproportionate Use.

(e) Definition of Private Use. For purposes of this Tax Certificate, the term "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities other than governmental entities. The leasing of property financed or refinanced with proceeds of the Obligations or the use by or the access of a person or entity other than a governmental unit to property or services on a basis other than as a member of the general public shall constitute a Private Use.

(f) Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular use constitutes Private Use under this Tax Certificate shall be determined on the basis of applying the relevant sections of the Treasury Regulations and Revenue Procedure 97-13. No portion of the proceeds derived from the sale of the Obligations is being used to provide property subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the provision of services with respect to property financed or refinanced by proceeds of the Obligations that do not comply with the standards of the Treasury Regulations or Revenue Procedure 97-13.

* * *

III. Arbitrage Certifications.

The following states the expectations of the Issuer with respect to the amount and uses of the proceeds of the Obligations and certain other monies or property:

(a) Source and Use of Funds. The total proceeds to be derived by the Issuer from the sale of the Obligations, in the aggregate amount of $30,229,631.02 (representing $29,320,000.00 principal amount of the Obligations, plus net premium of $1,472,057.05, less an Underwriter's discount of $193,730.29, less the fee from the Credit Enhancement of $368,695.74), are expected to be needed and fully expended as follows:

(i) $221,368.28 of such proceeds will be deposited in the Costs of Issuance Fund and, together with investment earnings thereon, will be expended to pay Issuance Costs within one year of the date hereof;

(ii) $2,735,200.00 of such proceeds will be deposited in the Reserve Account; and

(iii) $27,273,062.74 of such proceeds Issuer will be deposited in the Escrow Fund (the "Escrow Fund") created pursuant to the Escrow Agreement (the "Escrow Agreement") by and between the Issuer and the Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") and such monies will be used to pay all principal and interest due on the Current Refunded Obligations on September 1, 2014 and redeem the Current Refunded Obligations on September 1, 2014.

(b) Over-Issuance. The total proceeds to be received by the Issuer from the sale of the Obligations, together with anticipated investment earnings thereon, do not exceed the total amount necessary for the purposes described above.

(c) Refunding Plan.

(i) Escrow Fund. $31,279,653.75 (consisting of $27,273,062.74 of the sale proceeds of the Obligations, together with $4,006,591.01 of amounts held in funds and accounts with respect to the Current Refunded Obligations) will be deposited in the Escrow Fund held and maintained by the Escrow Bank pursuant to the Escrow Agreement and will be utilized to pay all principal and interest due on the Current Refunded Obligations on September 1, 2014 and to redeem the remaining Current Refunded Obligations on September 1, 2014.

(ii) Purpose of Refunding. The Obligations are being issued for present value debt service savings.

(iii) Other Monies. Other than as stated above, there are no unexpended proceeds of the Current Refunded Obligations.

(d) Working Capital. No operational expenditures of the Issuer or any related entity are to be financed directly or indirectly with proceeds derived from the sale of the Obligations.

(e) Reimbursement. No portion of the proceeds of the Obligations are being used to reimburse the Issuer for any expenditures that were incurred and paid thereby with respect to the Project prior to the issuance of the Obligations.

(f) Funds and Accounts. The Issuance Document creates and establishes the following funds with respect to the Obligations:

(i) the Community Facilities District 2004-1 Special Tax Fund, and within such fund;

(A) the Debt Service Account;

(B) the Redemption Account; and

(C) the Reserve Account;

(ii) the Rebate Fund and within such fund;

(A) the Rebate Account; and

(B) the Alternative Penalty Account; and

(iii) the Costs of Issuance Fund.

(g) Sinking Funds.

(i) Bona Fide Debt Service Funds. The Debt Service Account and Redemption Account of the Special Tax Fund (to the extent monies therein will be depleted within one year of receipt) (collectively, the "Bona Fide Debt Service Funds"), will be used primarily to achieve a proper matching of revenues (and certain other monies) and payments of principal and interest with respect to the Obligations within each year. Amounts deposited in the Bona Fide Debt Service Funds will be depleted at least once a year except for a reasonable carryover amount, if any, which, in the aggregate, will not exceed the greater of (i) one year's earnings on such funds for the immediately preceding bond year, or (ii) one-twelfth of the annual debt service with respect to the Obligations for the immediately preceding bond year.

(ii) Reasonably Required Reserve. Proceeds of the Obligations deposited in the Reserve Account will not be greater than the least of (i) maximum annual debt service with respect to the Obligations, (ii) 125% of average annual debt service with respect to the Obligations, or (iii) 10% of the face amount of Obligations (less original issue discount if in

excess of two percent (2%) of the stated redemption amount at maturity) (the "Tax Reserve Limit"). The creation of the Reserve Account was vital to the marketing of the Obligations, and reasonably required to assure the payment of debt service on the Obligations.

(iii) No Other Proceeds. Other than the Bona Fide Debt Service Funds and the Reserve Account, there are no funds or accounts of the Issuer established pursuant to the Issuance Document, or otherwise, that are reasonably expected to be used for the payment of principal and interest with respect to the Obligations or that are pledged as collateral for the Obligations and for which there is a reasonable assurance that amounts on deposit therein will be available for the payment of principal and interest with respect to the Obligations if the Issuer encounters financial difficulties. The term of the Obligations is not longer than is reasonably necessary for the governmental purpose of the issue, and the weighted average maturity of the Obligations does not exceed 120 percent of the average reasonably expected economic life of the refinanced Project.

(h) Rebate Liability Account. Amounts deposited in the Rebate Fund are to assist the Issuer with compliance of Section 148(f) of the Code.

(i) Investment. The proceeds derived from the sale of the Obligations and the amounts on deposit in the aforementioned funds and accounts may be invested as follows:

(i) Proceeds derived from the sale of the Obligations and deposited in the Costs of Issuance Fund, and such monies held in the Rebate Fund, may be invested at an unrestricted yield for a term of thirteen months from the date hereof. Amounts described in this Subparagraph (i) that may not be invested at an unrestricted yield pursuant to the previous sentence shall be invested either at a yield not in excess of the yield on the Obligations or in "Tax-Exempt Obligations" (within the meaning of Section IV hereof).

(ii) Amounts deposited in the Bona Fide Debt Service Funds may be invested at an unrestricted yield for a period not in excess of 13 months from the date of deposit of such amounts to such funds. Amounts described in the previous sentence that may not be invested at an unrestricted yield pursuant to such Subparagraph shall be invested either at a yield not in excess of the yield on the Obligations or in Tax-Exempt Obligations.

(iii) Amounts held in the Rebate Fund (not described above) may be invested without regard to yield.

(iv) Amounts held in the Redemption Account (not described above) will be invested at a yield not in excess of the yield on the Obligations.

(v) Amounts held to retire the Current Refunded Obligations have been invested at a yield below the yield on the Obligations.

(vi) Amounts held in the Reserve Account, not in excess of the Tax Reserve Limit, may be invested without regard to yield.

(j) Yield. For purposes of this Section III of this Tax Certificate, yield is calculated as set forth in Section 148 of the Code and Section 1.148-4 of the Treasury Regulations. Thus, yield generally means that discount rate which when used in computing the present value of all

unconditionally payable payments representing principal, interest, and the fees of qualified guarantees paid and to be paid with respect to the Obligations produces an amount equal to the issue price of the Obligations. The issue price of the Obligations is $30,792,057.05 which is equal to the initial offering price of the Obligations to the public (excluding bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount (at least 10 percent) of each maturity of the Obligations was or is reasonably expected to be sold, as represented by the Underwriter in Exhibit C, plus the Accrued Interest. The yield on the Obligations, calculated as described above, is 4.027292 percent. Yield with respect to the obligations allocable to proceeds of the Obligations, is that discount rate which when used in computing the present worth of the payments of principal and interest with respect to the obligations produces an amount equal to the purchase price of the obligation.

For purposes of computing the yield on investments allocable to proceeds of the Obligations, the Issuer will, if necessary, make yield reduction payments to the United States in accordance with Treasury Regulation § 1.148-5(c); such payments shall be made to the United States at the same time and in the same manner as rebatable arbitrage in accordance with Section IV hereof. The Issuer shall seek expert advice in complying with this paragraph.

The Credit Enhancement may be taken into account with respect to computing yield on the Obligations. The Underwriter has represented that the present value of the fees for the Credit Enhancement are reasonably expected to be less than the present value of the expected interest savings on the Obligations as a result of the Credit Enhancement, determined by using the yield on the Obligations, determined with regard to the Credit Enhancement, as the discount rate. The Credit Enhancement imposes a secondary liability of the Credit Enhancer that unconditionally shifts substantially all of the credit risk for certain payments on the Obligations. The Underwriter has represented that the fees for the Credit Enhancement do not exceed a reasonable arm's-length charge for the transfer of credit risk with respect to payments on the Obligations. The Credit Enhancer has represented that the fees for the Credit Enhancement do not include any payment for any direct or indirect services other than the transfer of credit risk. Certain certifications of the Credit Enhancer are attached hereto as Exhibit D.

(k) No Artifice or Device. The Obligations are not and will not be part of a transaction or series of transactions (i) that attempts to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the regulations promulgated thereunder or under any predecessor thereto, enabling the Issuer or any related person to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (ii) that increases the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling bonds that would not otherwise be sold, or selling more bonds, or issuing bonds sooner, or allowing bonds to remain outstanding longer, than otherwise would be necessary.

* * *

IV. Rebate Compliance.

(a) Covenants. The Issuer hereby covenants to comply with the rebate requirements of Section 148(f) of the Code.

The Issuer acknowledges that the United States Department of the Treasury has issued certain regulations with respect to certain requirements relating to compliance with

Section 148(f) of the Code. The Issuer covenants that it will determine precisely what is required with respect to Section 148(f) of the Code and will comply with any requirements applicable to the Obligations.

The Issuer acknowledges that, to the extent that an exception to the rebate requirements of Section 148(f) of the Code is not available with respect to the Obligations, under Section 148(f) of the Code, the federal government must be paid the sum of (i) the excess of the amount earned on all "nonpurpose investments" with respect to the Obligations over the amount that would have been earned had such investments been invested at a rate equal to the yield with respect to the Obligations, plus (ii) any income attributable to the excess described in (i) (the "Rebate Requirement").

The Issuer acknowledges that currently, unless an exception to the Rebate Requirement is available, compliance with Section 148(f) of the Code generally involves a multi-step process: (1) ascertaining the funds (the "Gross Proceeds") and investments (the "Nonpurpose Investments") subject to the Rebate Requirement of Section 148(f) of the Code after applying, if applicable, a universal cap with respect to the Obligations (the "Universal Cap"), (2) creating an investment history cash flow report with respect to the investment of Gross Proceeds of the Obligations, (3) determining the yield with respect to the Obligations (the "Yield"), (4) future valuing receipts and payments in the cash flow report (including certain deemed receipts and payments) using the Yield as the discount factor, and (5) determining the amount of rebatable arbitrage with respect to the Obligations and paying the appropriate amount to the United States Treasury. See Treas. Reg. §§ 1.148-O through 1.148-11, 1.149(d)-1, and 1.150-1 for rules with respect to rebate compliance methodology. See Subparagraph (b)(i) below for a description of Nonpurpose Investments with respect to the Obligations, Subparagraph (b)(ii) below for a description of Gross Proceeds of the Obligations, Subparagraph (b)(iii) below for the description of a Universal Cap with respect to the Obligations, Subparagraph (b)(iv) below for a description of Yield with respect to the Obligations for purposes of compliance with Section 148(f) of the Code, and Subparagraph (d) with respect to permitted investment of Gross Proceeds.

The Issuer also acknowledges that additional or different requirements may be applicable to the Obligations if certain exceptions are satisfied. See Paragraph (c) herein.

(b) Operative Terms.

(i) Nonpurpose Investments. Subject to the limitation in Subparagraph (b)(iii) below, Nonpurpose Investments are generally securities, obligations, annuity contracts or any other investment-type property that are not acquired to carry out the governmental purpose of the Obligations that are allocated to Gross Proceeds. However, Nonpurpose Investments do not include:

(A) United States Treasury - State and Local Government Series, Demand Deposit Securities; or

(B) tax-exempt obligations. The term "tax-exempt obligations" for the purposes of this Tax Certificate includes only obligations the interest on which is excludable from gross income for federal income tax purposes that do not constitute "specified private activity bonds" for purposes of Section 57(a)(5)(C) of the Code. The term "tax-exempt obligations" does, however, include stock in a "qualified

regulated investment company," which is a corporation that (A) is a regulated investment company within the meaning of Section 851(a) of the Code and meets the requirements of Section 852(a) of the Code for the taxable year; (B) has only one class of stock authorized and outstanding; (C) invests all of its assets in tax-exempt obligations (as defined above) to the extent practicable; and (D) has at least 98% of its gross income derived from interest on, or gain from the sale or other disposition of, tax-exempt obligations or at least 98% of the weighted average value of its assets is represented by investments in tax-exempt obligations.

(ii) Gross Proceeds. Subject to the limitation in Subparagraph (b)(iii) below, "Gross Proceeds" with respect to the Obligations means:

(A) amounts actually or constructively received from the sale (or other disposition) of the Obligations;

(B) amounts actually or constructively received from investing amounts described in (A);

(C) amounts (other than proceeds derived from the sale of the Obligations) that are reasonably expected to be or are in fact used to pay debt service with respect to the Obligations;

(D) amounts pledged as security for the payment of debt service with respect to the Obligations or otherwise serving as a reserve fund with respect to the Obligations;

(E) "transferred proceeds" of the Obligations; and

(F) any other amounts which are replacement proceeds of the Obligations within the meaning of Treasury Regulation § 1.148-1(c).

(iii) Universal Cap. Except as provided below, in no event shall the value of Nonpurpose Investments allocated to Gross Proceeds of the Obligations exceed the Universal Cap of the Obligations computed in accordance with Section 1.148-6 of the Treasury Regulations. The Universal Cap of the Obligations is equal to the value of the outstanding Obligations computed in accordance with Section 1.148-4 of the Treasury Regulations. The value of a Nonpurpose Investment on a date allocated to Gross Proceeds of the Obligations for this purpose is equal to the value of such investment in accordance with Treasury Regulation § 1.148-5(d). The Universal Cap value and the value of Nonpurpose Investments are to be computed as of the first day of each bond year that commences after the second anniversary of the issue date and if the applicable obligations, are a refunding issue, as of each date that, without regard to the Universal Cap, proceeds of any refunded issue become "transferred proceeds" of the Obligations within the meaning of Section 1.148-9 of the Treasury Regulations (a "Cap Computation Date"). Amounts described in Subparagraph (c)(i) are not subject to the Universal Cap. Between Cap Computation Dates, Nonpurpose Investments cease to be allocated to the Obligations to the extent they are expended or otherwise cease to be allocated to the Obligations under Section 1.148-6 of the Treasury Regulations. To the extent Nonpurpose Investments cease to be allocated to the obligations of an Obligations, other investments become so allocated up to the amount of the

unused Universal Cap, computed in accordance with Section 1.148-6 of the Treasury Regulations. If on a Cap Computation Date Nonpurpose Investments have a value in excess of the Universal Cap, an amount of such investments necessary to eliminate that excess ceases to be allocated to the Obligations. Nonpurpose Investments cease to be allocated to the Obligations in the following order, within the meaning of Section 1.148-6 of the Treasury Regulations:

(1) first, amounts held in a sinking fund, pledged fund, or reserve or replacement fund for the Obligations (other than proceeds derived from the sale of the Obligations),

(2) second, transferred proceeds, and

(3) third, proceeds derived from the sale of the Obligations and earnings thereon, all within the meaning of Section 1.148-6 of the Treasury Regulations.

(4) A failure to do a Universal Cap calculation on a Cap Computation Date will not result in noncompliance with Section 148(f) of the Code if, in the absence of that failure, the Obligations would have satisfied the Rebate Requirement.

(iv) Yield. See Section III hereof.

(c) Rebate Exception.

(i) Bona Fide Debt Service Funds. The Issuer will be relieved of the obligation to pay the Rebate Requirement with respect to amounts earned on funds in the Bona Fide Debt Service Funds.

(d) Prohibited Investments and Dispositions. The Issuer acknowledges that compliance with Section 148(f) of the Code may involve taking no action to artificially reduce the Rebate Requirement by the manner of investing Gross Proceeds. The Issuer covenants that absent an opinion of nationally recognized bond counsel that the exclusion from gross income of interest with respect to the Obligations will not be adversely affected, it will comply with the rules of this Subsection to assure compliance with Section 148(f) of the Code.

(i) No Nonpurpose Investment may be acquired with Gross Proceeds for an amount in excess of the fair market value of such Nonpurpose Investment. No Nonpurpose Investment may be sold or otherwise disposed of for an amount less than the fair market value of the Nonpurpose Investment.

(ii) The fair market value of any Nonpurpose Investment is the price which a willing buyer would pay to a willing seller to acquire the Nonpurpose Investment in a bona fide, arm's-length transaction, with no amounts to artificially reduce or increase the yield on the Nonpurpose Investment. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). The purchase or sales price of a Nonpurpose Investment is not adjusted (except as provided below) to take into account any administrative costs of the

Nonpurpose Investment. For calendar year 2014, a brokerage commission or similar fee for an investment contract is included as a receipt with respect to the investment contract and for investments for a yield restricted defeasance escrow to the extent the commission exceeds the lesser of (A) $38,000.00 and (B) 0.2% of the computational base or, if more, $4,000; provided, a brokers fee or similar fee is included as a receipt to the extent all brokers fees or similar fees of the issue of Bonds exceed $108,000.00. For purposes of this Tax Certificate "computational base" means (A) for a guaranteed investment contract, the amount of Gross Proceeds to be deposited in the contract, and (B) for investments (other than guaranteed investment contracts) to be deposited in a yield restricted defeasance escrow, the amount of Gross Proceeds initially invested in those investments. For subsequent calendar years, the dollar limits described in this Subsection may be increased for cost-of-living adjustments. See Treas. Reg. § 1.148-5(e)(2)(iii). Certain administrative costs, including reasonable direct administrative costs, other than carrying costs, such as brokerage commissions or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs, may be taken into account in computing the Rebate Requirement with respect to investments. See Treas. Reg. § 1.148-5. General overhead costs and similar indirect costs of the City such as employee salaries and office expenses and costs of computing rebatable arbitrage may not be taken into account. The following provisions provide guidelines as to when the Nonpurpose Investment will be deemed to be acquired for its fair market value. Other methods may be used, however, to establish fair market value.

(iii) Nonpurpose Investments that are investment contracts or an investment purchased for a yield restricted defeasance escrow will be considered acquired and disposed of for an amount equal to the fair market value of such obligations if the following Subsections are satisfied:

(A) The Issuer makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers.

(2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (B)(1) or (2) below.

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of

the investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Issuer reasonably requires.

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(B) The bids received by the Issuer meet all of the following requirements:

(1) The Issuer receives at least three bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (A) of this section and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (B)(1) of above is from a reasonably competitive provider, within the meaning of paragraph (A)(7) of this section.

(3) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(C) The winning bid meets the following requirements:

(1) *Guaranteed investment contracts.* If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) *Other* investments. If the investment is not a guaranteed investment contract, the following requirements are met:

a. The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest cost bid is either the lowest cost bid

for the portfolio or, if the Issuer compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of paragraph (iii) is taken into account in determining the lowest cost bid.

b. The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

c. If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of (C)(*2*)(b) is not required.

(D) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(E) The Issuer retains the following records with the bond documents until three years after the last outstanding bond is redeemed:

(1) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation.

(2) The receipt or other record of the amount actually paid by the Issuer for the investments, including a record of any administrative costs paid by the Issuer, and the certification under paragraph (D) above.

(3) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(4) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Issuer purchases a portfolio of investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Code Section 148, an investment in the winning bid is replaced with an investment with a lower yield, the Issuer must retain a record of the substitution and how the price of the substitute investment was determined. If the Issuer replaces an investment in the winning bid portfolio with another investment,

the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under a bidding procedure meeting the requirements of paragraph (iii).

(5) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

(iv) Nonpurpose Investments that are certificates of deposit with a fixed interest rate, a fixed principal payment schedule, a fixed maturity, and a substantial penalty for early withdrawal, will be considered acquired for their fair market value if the following requirements are satisfied:

(A) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(B) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public.

(v) Except as otherwise provided in paragraph (d), any Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code §1273, shall be rebuttably presumed to be acquired or disposed of for an amount in excess of the fair market value of the Nonpurpose Investment.

(vi) The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(e) Bond Year. For purposes of this Certificate, Bond Year ends on each September 1 and begins on each September 2; provided that the first Bond Year begins on the date hereof and the last Bond Year ends on the date no Obligations are outstanding.

* * *

V. Recordkeeping and Allocation.

(i) Recordkeeping. The Issuer will maintain or cause to be maintained sufficient records to support compliance with the provisions of this Tax Certificate and to support the exclusion from gross income of interest on the Obligations for federal income tax purposes, including, but not limited to, the following:

(ii) basic records relating to the Obligations (e.g., indenture, loan agreement, and opinions);

(iii) documentation evidencing expenditure of Obligation proceeds;

(iv) documentation evidencing use of Obligation financed property (e.g., management and service contracts);

(v) documentation evidencing sources of payment and security for Obligations; and

(vi) documentation pertaining to the investment of Obligation proceeds (including rebate calculations).

In particular, the Issuer will maintain or cause to be maintained detailed records with respect to each security, obligation, annuity contract, or another investment-type property allocated to Gross Proceeds, including: (i) purchase date, (ii) purchase price, (iii) information establishing fair market value on the date such investment is allocated to Gross Proceeds, (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (vii) disposition price, (ix) any accrued interest received, and (x) disposition date. The Issuer shall establish separate sub-accounts or take other accounting measures in order to account fully for all Gross Proceeds. The Issuer shall maintain books and records with respect to the allocation of Gross Proceeds in accordance with this Tax Certificate. All records required to be maintained pursuant to this Tax Certificate must be kept as long as the Obligations are outstanding plus three years after all Obligations are retired, and with respect to obligations refunded by the Obligations, for the same period required for the Obligations.

(b) Allocation. The Issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds of the Obligations in accordance with Treasury Regulation § 1.148-6; for purposes of allocating Gross Proceeds to capital expenditures intended to be financed pursuant to this Tax Certificate after the date of issue of the applicable tax-exempt obligation, and paid to unrelated third parties ("Qualified Capital Expenditures"), the Issuer may use the following accounting methods: "specific tracing," "gross-proceeds-spent-first," "first-in, first-out," or a ratable allocation method. The Issuer covenants to consult with nationally recognized bond counsel with respect to the applicable method of allocation of Gross Proceeds to expenditures that are not Qualified Capital Expenditures. In addition, the accounting method applied must account uniformly for (i) Gross Proceeds commingled with other moneys in excess of $25,000 and such other commingled moneys and (ii) Gross Proceeds for each fiscal year or interim fiscal period therein during which the issue is outstanding. Another accounting method may, however, be utilized for moneys if it is for a bona fide purpose unrelated to federal income tax restrictions. If Gross Proceeds are commingled with other moneys (other than in an open-end regulated investment company) in an amount in excess of $25,000 (a "Commingled Fund"), the following additional requirements must be satisfied. First, all payments and receipts with respect to investments in the Commingled Fund must be allocated among the different moneys ratably based upon either (i) average daily balances during a "Computation Period" (as defined below) or (ii) the average of the beginning and ending balances of the amounts in the Commingled Fund for a Computation Period that does not exceed one month. A Commingled Fund may use as its Computation Period any consistent time period within its fiscal year that does not exceed three months. Not less frequently than at the end of each Computation Period, the Commingled Fund must compute and allocate to different types of moneys all payments, receipts, income, gain or losses realized, and expenditures. Second, except as provided below, the Commingled Fund must treat all of its investments as if sold at fair market value on the last day of the fiscal year or as of the last day of each Computation Period, and so allocate net gains or losses from such deemed sales (the "Mark-to-Market Requirement"). A Commingled Fund need not satisfy the Mark-to-Market Requirement if (i) the remaining weighted average maturity of all investments held by the Commingled Fund during a fiscal year does not exceed eighteen months and such investments consist exclusively of debt obligations, (ii) the Commingled Fund serves as a common reserve fund or sinking fund for two or more issues of the same issuer or (iii) the Issuer (and any

related party) do not own more than twenty-five percent of beneficial interests in the Commingled Fund. Common reserve funds or sinking funds for two or more issues must be ratably allocated (not less frequently than once every five years and on each date a new issue is added or retired (if relative original principal amounts are used to so allocate)) in accordance with (i) the value of the bonds under Treasury Regulation § 1.148-4(e), (ii) the relative amounts of the remaining maximum annual debt service payable on the issues, or (iii) the relative original stated principal amounts of the outstanding issues. Notwithstanding any other provision of this Tax Certificate, the allocation methodology applied must be consistent for all purposes of this Tax Certificate.

The Issuer must account for the allocation of Gross Proceeds to expenditures not later than eighteen months after the later of the date the expenditure is paid and the date the applicable Project is placed in service and in any event, by the date sixty days after the fifth anniversary of the issue date of the Obligations or the date 60 days after the retirement of the Obligation if earlier.

* * *

VI. Miscellaneous.

(a) Federal Guarantee. The Issuer will not invest any of the proceeds of the Obligations in a manner which would result in the Obligations being considered "federally guaranteed" within the meaning of Section 149(b) of the Code, except as permitted therein (i.e., will not cause interest with respect to the Obligations to be included in gross income for federal income tax purposes).

(b) Information Reporting. Attached as Exhibit C is a copy of the Form 8038-G filed with respect to the Obligations.

(c) No Pooling. The Issuer does not expect to use and will not use the proceeds of the Obligations, nor any refinanced obligations, to make or finance loans to two or more ultimate borrowers.

(d) Hedge Bonds. As of the date of issuance of the Current Refunded Obligations, the Issuer reasonably expected to expend at least 85% of the proceeds derived from the sale of those obligations or obligations refinanced thereby (less amounts deposited in the respective reasonably required reserve funds for the obligations) on the costs of the projects financed by those obligations within three years of the date of issuance of those obligations. Not more than 50% of the proceeds of the Current Refunded Obligations will be (or have been) invested at a guaranteed rate of return for a term of four years or more.

* * *

VII. Concluding Matters.

(a) Reliance. The expectations of the Issuer concerning certain uses of Obligation proceeds and certain other moneys described herein and other matters are based in whole or in part upon representations of other parties as set forth in this Tax Certificate or the exhibits attached hereto. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representations made in this Tax Certificate or exhibits attached hereto.

(b) Authority. The undersigned is an authorized representative of the Issuer, and is acting for and on behalf of the Issuer in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

(c) Amendment. Notwithstanding any provision of this Tax Certificate, the Issuer may amend this Tax Certificate and thereby alter any actions allowed or required by this Tax Certificate if such amendment is based on an opinion of bond counsel that the exclusion from gross income of interest with respect to the Obligations and any refinanced obligations will not be adversely affected.

Dated: July 30, 2014

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Gloriette Geperex
Director of Finance of the City of Modesto, acting in its capacity as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO

By: Gloriette Geperex
Director of Finance

EXHIBIT A

[RESERVED]

EXHIBIT B

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE OF THE UNDERWRITER

This Certificate is furnished by Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") of the $29,320,000 stated principal amount of the above-captioned bonds (the "Obligations"). The Underwriter hereby certifies and represents the following, based upon the information available to it:

A. Issue Price.

1. As of the sale date (the "Sale Date"), we reasonably expected to sell a substantial amount of each maturity (i.e., at least 10%) of the Obligations to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriter or wholesalers) in a bona fide public offering at the prices listed on Schedule A.

2. In our opinion, and based upon our estimate as of the Sale Date, the initial offering prices of the Obligations set forth in Schedule A are within a reasonable range of, and should reflect, the fair market prices for such Obligations.

3. As of the date of execution of this Certificate, all of the Obligations have actually been offered to the general public at the prices listed in Schedule A.

4. As of the Sale Date, at least 10% of each maturity of the Obligations was sold to the general public at the prices listed in Schedule A

B. Arbitrage Yield.

1. We have calculated the arbitrage yield with respect to the Obligations to be 4.027292% in accordance with the instructions provided in the Tax Certificate with respect to the Obligations.

To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Obligations, as shown in Schedule B, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

C. Reserve Fund.

The establishment of the Reserve Fund in the amount of the Reserve Requirement was vital to the marketing of the Obligations and reasonably required to assure the payment of debt service on the Obligations.

D. Credit Enhancement.

1. The present value of the amount paid to obtain the Credit Enhancement (as defined in the Tax Certificate) is less than the present value of the interest reasonably expected to be saved as a result of having the Credit Enhancement, using the yield with respect to the Obligations as the discount factor for this purpose.

2. To the best knowledge of the undersigned, the amount paid by the Issuer to the Credit Enhancer for the Credit Enhancement is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the Obligations.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

All terms not defined herein have the meanings ascribed to those terms in the attached Tax Certificate.

Dated: July 30, 2014

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Managing Director

EXHIBIT A

Price of Obligations Offered or Reasonably Expected to be Offered to the General Public in a Bona Fide Public Offering

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bond:										
	09/01/2015	320,000	2.000%	0.610%	101.502				4,806.40	3.750
	09/01/2016	475,000	3.000%	0.910%	104.308				20,463.00	3.750
	09/01/2017	535,000	4.000%	1.310%	108.109				43,383.15	5.000
	09/01/2018	595,000	4.000%	1.740%	108.875				52,806.25	5.000
	09/01/2019	655,000	4.500%	2.140%	111.314				74,106.70	6.250
	09/01/2020	725,000	5.000%	2.460%	114.273				103,479.25	6.250
	09/01/2021	805,000	5.000%	2.820%	113.911				111,983.55	6.250
	09/01/2022	890,000	5.000%	3.080%	113.647				121,458.30	6.250
	09/01/2023	980,000	5.000%	3.310%	113.165				129,017.00	6.250
	09/01/2024	1,070,000	5.000%	3.440%	113.197				141,207.90	6.250
	09/01/2025	1,170,000	5.000%	3.550%	112.200 C	3.652%	09/01/2024	100.000	142,740.00	6.250
	09/01/2026	1,275,000	5.000%	3.700%	110.857 C	3.867%	09/01/2024	100.000	138,426.75	6.250
	09/01/2027	1,385,000	5.000%	3.810%	109.885 C	4.021%	09/01/2024	100.000	136,907.25	6.250
	09/01/2028	1,505,000	5.000%	3.920%	108.922 C	4.156%	09/01/2024	100.000	134,276.10	6.250
	09/01/2029	1,625,000	5.000%	4.000%	108.229 C	4.255%	09/01/2024	100.000	133,721.25	6.250
	09/01/2030	1,760,000	5.000%	4.070%	107.627 C	4.336%	09/01/2024	100.000	134,235.20	6.250
	09/01/2031	1,900,000	5.000%	4.140%	107.028 C	4.410%	09/01/2024	100.000	133,532.00	6.250
		17,670,000							1,756,550.05	
Insured 2036 Term Bond:										
	09/01/2032	2,045,000	4.000%	4.170%	97.558				-49,938.90	3.000
	09/01/2033	2,185,000	4.000%	4.170%	97.558				-53,357.70	3.000
	09/01/2034	2,320,000	4.000%	4.170%	97.558				-56,654.40	3.000
	09/01/2035	2,470,000	4.000%	4.170%	97.558				-60,317.40	3.000
	09/01/2036	2,630,000	4.000%	4.170%	97.558				-64,224.60	3.000
		11,650,000							-284,493.00	
		29,320,000							1,472,057.05	

PROOF OF ARBITRAGE YIELD

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Date	Debt Service	Present Value to 07/30/2014 @ 4.0272915638%
03/01/2015	771,219.65	753,405.30
09/01/2015	977,912.50	936,466.65
03/01/2016	654,712.50	614,588.85
09/01/2016	1,129,712.50	1,039,546.00
03/01/2017	647,587.50	584,138.68
09/01/2017	1,182,587.50	1,045,664.89
03/01/2018	636,887.50	552,031.29
09/01/2018	1,231,887.50	1,046,679.58
03/01/2019	624,987.50	520,541.99
09/01/2019	1,279,987.50	1,045,037.55
03/01/2020	610,250.00	488,400.03
09/01/2020	1,335,250.00	1,047,543.86
03/01/2021	592,125.00	455,370.36
09/01/2021	1,397,125.00	1,053,242.45
03/01/2022	572,000.00	422,698.64
09/01/2022	1,462,000.00	1,059,068.20
03/01/2023	549,750.00	390,376.37
09/01/2023	1,529,750.00	1,064,830.49
03/01/2024	525,250.00	358,399.84
09/01/2024	12,215,250.00	8,170,447.41
03/01/2025	233,000.00	152,771.07
09/01/2025	233,000.00	149,755.53
03/01/2026	233,000.00	146,799.51
09/01/2026	233,000.00	143,901.83
03/01/2027	233,000.00	141,061.36
09/01/2027	233,000.00	138,276.95
03/01/2028	233,000.00	135,547.50
09/01/2028	233,000.00	132,871.93
03/01/2029	233,000.00	130,249.18
09/01/2029	233,000.00	127,678.19
03/01/2030	233,000.00	125,157.95
09/01/2030	233,000.00	122,687.46
03/01/2031	233,000.00	120,265.73
09/01/2031	233,000.00	117,891.81
03/01/2032	233,000.00	115,564.75
09/01/2032	2,278,000.00	1,107,553.97
03/01/2033	192,100.00	91,554.62
09/01/2033	2,377,100.00	1,110,560.17
03/01/2034	148,400.00	67,962.65
09/01/2034	2,468,400.00	1,108,137.47
03/01/2035	102,000.00	44,886.94
09/01/2035	2,572,000.00	1,109,513.35
03/01/2036	52,600.00	22,242.78
09/01/2036	2,682,600.00	1,111,990.17
	46,294,432.15	30,423,361.31

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Proceeds Summary

Delivery date	07/30/2014
Par Value	29,320,000.00
Premium (Discount)	1,472,057.05
Arbitrage expenses	-368,695.74
Target for yield calculation	30,423,361.31

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 07/30/2014 @ 4.0272915638%
SERIAL	09/01/2025	5.000%	3.550%	09/01/2024	100.000	-49,224.78
SERIAL	09/01/2026	5.000%	3.700%	09/01/2024	100.000	-36,519.14
SERIAL	09/01/2027	5.000%	3.810%	09/01/2024	100.000	-26,207.61
SERIAL	09/01/2028	5.000%	3.920%	09/01/2024	100.000	-13,985.16
SERIAL	09/01/2029	5.000%	4.000%	09/01/2024	100.000	-3,839.01
SERIAL	09/01/2030	5.000%	4.070%	09/01/2024	100.000	6,437.26
SERIAL	09/01/2031	5.000%	4.140%	09/01/2024	100.000	18,330.32

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 07/30/2014 @ 4.0272915638%	Increase to NPV
SERIAL	09/01/2025	5.000%	3.550%			-41,836.46	7,388.32
SERIAL	09/01/2026	5.000%	3.700%			-20,731.09	15,788.05
SERIAL	09/01/2027	5.000%	3.810%			-981.81	25,225.80
SERIAL	09/01/2028	5.000%	3.920%			21,858.59	35,843.75
SERIAL	09/01/2029	5.000%	4.000%			43,611.50	47,450.51
SERIAL	09/01/2030	5.000%	4.070%			66,935.03	60,497.77
SERIAL	09/01/2031	5.000%	4.140%			93,085.68	74,755.36

EXHIBIT C

INFORMATION REPORTING

FORM 8038-G

Form **8038-G** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name: City of Modesto	2 Issuer's employer identification number (EIN): 94-6000374
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions): Carol Lew, Esq.	3b Telephone number of other person shown on 3a: 949-725-4237
4 Number and street (or P.O. box if mail is not delivered to street address): 1010 10th Street — Room/suite:	5 Report number *(For IRS Use Only)*: 3
6 City, town, or post office, state, and ZIP code: Modesto, California	7 Date of issue: 07/30/2014
8 Name of issue: City of Modesto CFD No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds	9 CUSIP number: 607800CB3
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions): Gloriette Genereux, Director of Finance	10b Telephone number of officer or other employee shown on 10a: 209-577-5371

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶ Public Infrastructure	18	30,792,057	05
19	If obligations are TANs or RANs, check only box 19a ▶ ☐			
	If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	09/01/2036	$ 30,792,057.05	$ 29,320,000	14.5375 years	4.0273 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0	00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	30,792,057	05
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	415,098 57			
25	Proceeds used for credit enhancement	25	368,695 74			
26	Proceeds allocated to reasonably required reserve or replacement fund	26	2,735,200 00			
27	Proceeds used to currently refund prior issues	27	27,273,062 74			
28	Proceeds used to advance refund prior issues	28	0 00			
29	Total (add lines 24 through 28)			29	30,792,057	05
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	0	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	14.7073 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	9/1/2014
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	03/22/2006

For Paperwork Reduction Act Notice, see separate instructions.

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0	00
b	Enter the final maturity date of the GIC ▶			
c	Enter the name of the GIC provider ▶			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	00

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Gloriette Genereux 07/30/14 ▶ Gloriette Genereux, Director of Finance

Signature of issuer's authorized representative — Date — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Carol L. Lew, Esq.		07/30/14		P01259683

Firm's name ▶ Stradling Yocca Carlson & Rauth — Firm's EIN ▶

Firm's address ▶ 660 Newport Center Drive, Suite 1600, Newport Beach, CA 92660 — Phone no. 949-725-4237

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address and ZIP Code below •

STRADLING YOCCA CARLSON & RAUTH
660 NEWPORT CTR DR SUITE 1600
NEWPORT BEACH CA 92660-6422

024586-0015 QLE

2. Article Number

7160 3901 9843 2763 5934

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

1. Article Addressed to:

INTERNAL REVENUE SERVICE CENTER
OGDEN, UTAH 84201

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X

☐ Agent
☐ Addressee

D. Is delivery address different from item 1?
If YES, enter delivery address below:

☐ Yes
☐ No

RECEIVED
AUG 13 2014
IRS-OSC
OGDEN, UT

PS Form 3811, February 2003

Domestic Return Receipt

EXHIBIT D

CERTIFICATE OF CREDIT ENHANCER

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF ASSURED GUARANTY MUNICIPAL CORP.

The undersigned hereby certifies on behalf of Assured Guaranty Municipal Corp. ("AGM"), in connection with the issuance by AGM of its Policy No. 216167-N (the "Policy") in respect of the $11,650,000 in aggregate principal amount of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds maturing on September 1, 2036 (the "Bonds") that:

(i) the information set forth under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." in the official statement dated July 16, 2014, relating to the Bonds (the "Official Statement") is true and correct,

(ii) AGM is not currently in default nor has AGM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,

(iii) the Policy is an unconditional and recourse obligation of AGM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),

(iv) the insurance premium of $368,695.74 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to AGM as a condition to the issuance of the Policy,

(v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by AGM to maintain its ratings, which, together with all other overhead expenses of AGM, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),

(vi) AGM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, AGM will not use any portion of the Bond proceeds; provided, however, that AGM or its affiliates may independently provide a guaranteed investment contract for the investment of all or a portion of the proceeds of the Bonds,

(vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by AGM,

(viii) AGM does not expect that a claim will be made on the Policy,

(ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and

(x) for Bonds which are secured by a debt service reserve fund, AGM would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

AGM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

ASSURED GUARANTY MUNICIPAL CORP.

By: _____
Authorized Officer

Dated: July 30, 2014

EXHIBIT E

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

POST ISSUANCE COMPLIANCE

On this 30th day of July, 2014, the City and the Issuer understand that post issuance compliance with the restrictions contained in the attached Tax Certificate is required to ensure that interest on the Obligations remains excluded from gross income for federal income purposes. The City and the Issuer understand that the attached Tax Certificate, together with this exhibit, contains written post issuance procedures of the City and the Issuer to effectuate post issuance compliance. In furtherance thereof, the City and the Issuer hereby agree to:

1. Assign responsible personnel of the City and the Issuer to monitor and ensure compliance with the restrictions contained in the attached Tax Certificate.

2. Provide adequate training to responsible City and Issuer personnel to effectuate the purposes of this exhibit.

3. Have City and Issuer personnel regularly review the restrictions of the Tax Certificate and establish adequate record retention and calendaring mechanisms internally to ensure that the City and the Issuer will be able to establish post issuance compliance with the restrictions of the attached Tax Certificate. In particular, the City and Issuer will maintain records detailing the investment and expenditures of Obligation proceeds, as provided in the Tax Certificate. The City and Issuer will seek expert advice regarding compliance with the arbitrage rebate and yield restriction provisions of the Tax Certificate, and carefully monitor and calendar the dates by which Obligation proceeds should be expended to comply with yield restriction and rebate exceptions and the dates rebate must be paid.

4. Regularly consult with Bond Counsel and other City and Issuer advisors regarding any issues that arise regarding post issuance compliance with the attached Tax Certificate (including any failure or anticipated failure to expend Obligation proceeds during the periods described in the attached Tax Certificate or any changes in use of the Project). The City and Issuer understand that the use of the Project financed by the Obligations must be monitored throughout the term to maturity of the Obligations, and records must be retained regarding any contracts or other arrangements relating to such use as provided in the Tax Certificate.

All terms not defined herein have the meanings ascribed in the attached Tax Certificate.

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Gloriette Generaux
Director of Finance of the City of Modesto, acting in its capacity as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO

By: Gloriette Generaux
Director of Finance

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUL 23 2014

[SECRETARY OF STATE: PLEASE
AFFIX STAMP BELOW THIS SPACE]

STATE OF CALIFORNIA)
) ss.
COUNTY OF STANISLAUS)

In accordance with the Uniform Facsimile Signatures of Public Officials Act (Government Code Sections 5500, *et seq.*), I hereby file with the Secretary of State my manual signature and hereby certify under oath my manual signature as follows:

Manual Signature _____
Garrad Marsh

Title of Office Mayor of the City of Modesto, acting as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2)

I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED this 16th day of July, 2014, at Modesto, California.

Signed _____
Garrad Marsh

DOCSOC/1672858v1/024586-0015

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUL 23 2014

[SECRETARY OF STATE: PLEASE
AFFIX STAMP BELOW THIS SPACE]

STATE OF CALIFORNIA)
) ss.
COUNTY OF STANISLAUS)

In accordance with the Uniform Facsimile Signatures of Public Officials Act (Government Code Sections 5500, *et seq.*), I hereby file with the Secretary of State my manual signature and hereby certify under oath my manual signature as follows:

Manual Signature _____
Stephanie Lopez

Title of Office City Clerk of the City of Modesto, acting as the legislative body of the City of Modesto Community Facilities District No. 2004-1 (Village One #2)

I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED this 21st day of July, 2014, at Modesto, California.

Signed _____
Stephanie Lopez

DOCSOC/1672858v1/024586-0015

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

City of Modesto Community Facilities District
No. 2004-1 (Village One #2) (County of Stanislaus, State of California)
[Name of Issuer]

January 17, 2006
[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:
THE DEPOSITORY TRUST COMPANY
By: _____

Very truly yours,
City of Modesto Community Facilities District No. 2004-1 (Village One #2)
(Issuer)
By: _____
(Authorized Officer's Signature)
George Britton
(Print Name)
1010 - 10th Street
(Street Address)
Modesto, CA USA 95353
(City) (State) (Country) (Zip Code)
(209) 571-5128
(Phone Number)
gbritton@modestogov.com
(E-mail Address)

DTCC.
The Depository Trust & Clearing Corporation

[3/04]

(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the"Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue,and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner")is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[**6.** Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[**9.** A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Unless this Bond certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any Bond certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. 18 $11,650,000

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF STANISLAUS

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP® NUMBER
4.00%	September 1, 2036	July 30, 2014	607800CB3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ELEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (the "District"), located in the City of Modesto, County of Stanislaus, State of California, 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 to which interest has been paid or duly provided in full, 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; provided, however, that 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, 2015, 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 corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed by first class mail, postage prepaid, or, upon request of any Registered Owner of at least $1,000,000 of Bonds, by wire transfer to an account in the continental United States of the Registered Owner hereof prior to the Record Date as of the close of business on the fifteenth day of the month preceding an Interest Payment Date (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 Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds" (the "Bonds") issued in the aggregate principal amount of $29,320,000 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 refunding the District's 2006 Special Tax Bonds, to purchase a municipal bond insurance policy to guarantee the payment of the principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds"), paying certain costs related to the issuance of the Bonds and funding a reserve account. 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 of Modesto, acting in its capacity as the legislative body of the District (the "Legislative Body") on July 1, 2014, and a Bond Indenture dated as of July 1, 2014, by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee, 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 executed 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 are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District and which are pledged to the repayment of the Bonds (the "Special Taxes"). Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts on deposit in the Special Tax Fund, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances 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 before September 1, 2024 are not subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to call and redemption, at the option of the District, from any available source of funds prior to their stated maturity on any date on or after September 1, 2024, as a whole or in part, and by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

The Bonds maturing on September 1, 2036 are subject to mandatory sinking fund redemption in part, by lot, on September 1, 2032 and on each September 1 thereafter to maturity, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Term Bonds Due on September 1, 2036

Year (September 1)	*Principal Amount*
2032	$2,045,000
2033	2,185,000
2034	2,320,000
2035	2,470,000
2036 (Maturity)	2,630,000

The Bonds are subject to Special Mandatory Redemption from Special Tax Prepayments on any Interest Payment Date, in whole or in part, at the following redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption:

Redemption Dates	*Redemption Price*
Any Interest Payment Date through March 1, 2022	103%
September 1, 2022 and March 1, 2023	102
September 1, 2023 and March 1, 2024	101
September 1, 2024 and any Interest Payment Date thereafter	100

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 60 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 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 District 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 of $5,000 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 corporate trust 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 District 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 principal of this Bond is not subject to acceleration.

If the District shall pay or cause to be paid to the Owner of this Bond the interest due hereon and the principal hereof, at the times and in the manner stipulated herein and in the Indenture, or if there has been deposited with the Trustee moneys or investment securities, which together with the interest to accrue thereon without further investment, will be fully sufficient to pay and discharge the principal of, premium, if any, and interest on all Bonds Outstanding as and when the same shall become due and payable, then the Owner of this Bond shall cease to be entitled to the pledge of Net Special Taxes under the Indenture, and all covenants, agreements and other obligations of the District to the Owner of this Bond under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF MODESTO OR OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 FOR WHICH THE CITY OF MODESTO OR THE DISTRICT 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 DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF MODESTO, 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 District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the City of Modesto Community Facilities District No. 2004-1 (Village One #2) has caused this Bond to be dated as of the Dated Date, to be executed on behalf of the District by the Mayor of the City of Modesto by facsimile signature and attested by the facsimile signature of the City Clerk.

Mayor of the City of Modesto, for and on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

ATTEST:

City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-defined Indenture.

Dated: July 30, 2014

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

SPECIMEN

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

SPECIMEN

City Clerk of the City of Modesto, acting on behalf of City of Modesto Community Facilities District No. 2004-1 (Village One #2)

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
660 NEWPORT CENTER DRIVE, SUITE 1600
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TELEPHONE (949) 725-4000
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ORANGE COUNTY (949)725-4000
RENO (775) 393-1950
SAN DIEGO (858) 926-3000
SAN FRANCISCO (415) 283-2240
SANTA BARBARA (805) 730-6800
SANTA MONICA (424) 214-7000
SACRAMENTO (916) 449-2350

July 30, 2014

City Council of the City of Modesto
Modesto, California

Re: *$29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Modesto taken in connection with the formation of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and the authorization and issuance of the District's 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. 2014-272 (the "Resolution of Issuance"), adopted by the City Council (the "City Council") of the City of Modesto (the "City") on July 1, 2014, and by a Trust Indenture dated as of July 1, 2014 (the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee. All capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated the date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each September 1 and March 1, commencing on March 1, 2015, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture redeemable in the amounts, at the times and in the manner provided for in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the City Council on behalf of the District. The Indenture creates a valid pledge of, and the Bonds are secured by the Net Special Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) will be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating

the federal alternative minimum tax imposed on individuals or corporations (as described in paragraph (3) above) and is exempt from State of California personal income tax.

(6) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds"), to The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, or its successor, as trustee for the Insured Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Insured Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

_____

attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

_____

Notice: Signature(s) must be guaranteed by a qualified guarantor.

_____

Notice: The signature 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.

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

BOND PURCHASE AGREEMENT

July 16, 2014

City of Modesto Community Facilities District
No. 2004-1 (Village One #2)
c/o City of Modesto
1010 10th Street, Modesto
California 95354

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), which, upon acceptance, will be binding upon the District and upon the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 p.m., California Time, on the date hereof, and if not accepted will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District. The District has been formed by and is located in the City of Modesto, California (the "City").

The Underwriter hereby acknowledges that it is duly authorized to execute this Bond Purchase Agreement and to take all action required or permitted to be taken hereunder by or on behalf of the Underwriter. Any authority, discretion or other power conferred upon the Underwriter by this Bond Purchase Agreement may be executed by the representative alone. Capitalized terms not otherwise defined herein shall have the meaning provided in the Indenture (defined below).

1. Purchase, Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter agrees to purchase from the District, and the District agrees to sell to the Underwriter, all (but not less than all) of the $29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Bonds"). The Bonds shall be dated the Closing Date (hereinafter defined), and bear interest (payable semiannually on March 1 and September 1 in each year, commencing March 1, 2015) at the rates per annum and maturing on the dates and in

the amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be $30,598,326.76 (representing the principal amount of the Bonds, less an Underwriter's discount of $193,730.29, and plus net original issue premium of $1,472,057.05). At the request of the District, the Underwriter will wire the bond insurance policy premium of $368,695.74 to the Insurer (as defined below), resulting in a net wire to the District of $30,229,631.02. The Bonds will be subject to redemption as set forth in the Indenture (defined below). The Bonds will be issued in book-entry form only.

The Bonds shall be issued and secured under the provisions of, and shall be payable and subject to redemption as provided in, a Trust Indenture, dated as of July 1, 2014 (the "Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), approved in a resolution adopted by the City Council of the City (the "City Council"), acting in its capacity as the legislative body of the District (the "Resolution of Issuance"). The Bonds and interest thereon will be payable from special taxes (referred to herein as the "Special Tax" or the "Special Taxes") levied and collected on the taxable land within the District. Proceeds of the sale of the Bonds, together with certain other funds of the District, will be used in accordance with the Indenture and the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California) (the "Act"), to refund the District's Series 2006 Special Tax Bonds (the "Refunded Bonds"), to fund a Reserve Account for the Bonds, and to pay costs of issuance of the Bonds. At closing, Assured Guaranty Municipal Corp. (the "Insurer") shall provide a municipal bond insurance policy (the "Policy") insuring the scheduled payment of principal of and interest on the term Bonds maturing on September 1, 2036 (the "Insured Bonds").

(b) At or prior to the acceptance hereof, the District has authorized the use of the Official Statement in connection with the public offering of the Bonds. The District has also consented to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement (defined below) relating to the Bonds in connection with the public offering of the Bonds. Authorized officers of the District have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12 (defined below), with the exception of certain final pricing and related information referred to in Rule 15c2-12.

(c) Subsequent to its receipt of a certificate from the District deeming the Preliminary Official Statement for the Bonds, dated July 9, 2014, a supplemented by a Supplement to Preliminary Official Statement, dated July 14, 2014 (which Preliminary Official Statement, together with the cover page and all appendices and supplements thereto, is herein collectively referred to as the "Preliminary Official Statement" and which, as amended with the prior approval of the Underwriter and executed by the District, will be referred to herein as the "Official Statement") final for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"), the Underwriter has distributed electronic copies of the Preliminary Official Statement. The District hereby ratifies the use by the Underwriter of the Preliminary Official Statement and authorizes the Underwriter to use and distribute the final Official Statement dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12 and any supplements and amendments thereto as have been approved by the District as evidenced by the execution and delivery of such document by an officer of the District (the "Official Statement"), the Indenture, the Continuing Disclosure

Agreement (the "Disclosure Agreement") between the District and Goodwin Consulting Group, Inc., as dissemination agent (the "Dissemination Agent"), this Bond Purchase Agreement, the Escrow Agreement, dated as of July 1, 2014 (the "Escrow Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), any other documents or contracts to which City, acting on behalf of the District, or the District is a party, and all information contained therein, and all other documents, certificates and statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter.

The Underwriter hereby agrees to deliver a copy of the Official Statement to a national repository on or before the Closing Date (as hereinafter defined), and to make available an electronic copy to each investor that purchases any of the Bonds prior to the "end of the underwriting period" (as such term is defined in Section 2 (h) below), and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, Rule G-32 of the Municipal Securities Rulemaking Board (the "MSRB") and Rule 15c2-12. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. As of the date hereof, the Underwriter has not notified the District of the need to modify or supplement the Preliminary Official Statement.

(d) At 8:00 A.M., Pacific Daylight Time, on July 30, 2014, or at such earlier time or date as shall be agreed upon by the Underwriter and the District (such time and date being herein referred to as the "Closing Date"), the City, on behalf of the District, will deliver (i) through the facilities of The Depository Trust Company, New York, New York, the Bonds in definitive form (all Bonds being in book-entry form registered in the name of Cede & Co. and having the CUSIP numbers assigned to them printed thereon), duly executed by the officers of the District as provided in the Indenture, and (ii) to the Underwriter, at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel") in Newport Beach, California, or at such other place as shall be mutually agreed upon by the District and the Underwriter, the other documents herein mentioned; and the Underwriter shall accept such delivery and pay the purchase price of the Bonds in immediately available cleared funds (such delivery and payment being herein referred to as the "Closing"). Notwithstanding the foregoing, the Underwriter may, in its discretion, accept delivery of the Bonds in temporary form upon making arrangements with the District which are satisfactory to the Underwriter relating to the delivery of the Bonds in definitive form.

(e) The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently

providing other services to the District or the City on other matters), (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the MSRB, and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

2. Representations, Warranties and Agreements of the District. The District represents, warrants and covenants to and agrees with the Underwriter that:

(a) The District is duly organized and is validly existing under the Act and laws of the State as a community facilities district, has full legal right, power, and authority (i) to execute, deliver and perform its obligations under, and to carry out all transactions contemplated by, the Indenture, the Disclosure Agreement, the Escrow Agreement and this Bond Purchase Agreement (collectively, the "District Documents"), (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Resolution of Issuance, this Bond Purchase Agreement and the Indenture as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the District Documents and the Official Statement. The City Council, in its capacity as the legislative body for the District, has duly formed the District, and adopted an ordinance authorizing the levy of the Special Tax on the taxable property within the District (the "Special Tax Ordinance"). The District has caused to be recorded in the real property records of the County of Stanislaus a Notice of Special Tax Lien for the District (the "Notice of Special Tax Lien") (such ordinances and resolutions, as subsequently amended, and the Notice of Special Tax Lien being collectively referred to herein as the "Formation Documents") with respect to the District. Each of the Formation Documents remains in full force and effect as of the date hereof and has not been otherwise amended.

(b) The District has complied, and will at the Closing Date be in compliance, in all material respects with, the Formation Documents and the District Documents, and any immaterial compliance by the District, if any, will not impair the ability of the District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the District will continue to comply with its covenants in the District Documents;

(c) The City Council, in its capacity as the legislative body for the District, has duly and validly: (i) taken or caused to be taken, all proceedings necessary under the Act and the Constitution and laws of the State of California in order to form the District, to authorize the execution of the District Documents and the levy of the Special Tax on the taxable property within the District pursuant to the Rate and Method of Apportionment of Special Tax for the District (the "Rate and Method of Apportionment"), to cause the Special Tax to be secured by a continuing lien on each parcel of Taxable Property (as defined in the Rate and Method of Apportionment); (ii) authorized and approved the execution and delivery of the District Documents and the issuance and sale of the Bonds; and (iii) authorized and approved the performance by the District of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by,

each of said District Documents (including, without limitation, the collection of the Special Tax). The District has been validly formed, the Special Tax has been approved and its levy authorized, and (assuming due authorization, execution and delivery by other parties thereto, where necessary) the District Documents will constitute the valid, legal and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles.

(d) To the best of the District's knowledge, neither the District nor the City, acting on behalf of the District, is in breach of or default under any applicable material law or administrative rule or regulation of the State of California (the "State"), or of any department, division, agency or instrumentality thereof, or under any applicable court or administrative decree or order, or under any material loan agreement, note, resolution, bond indenture, contract, agreement or other instrument to which the District or the City, acting on behalf of the District, is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the District of its obligations under the Bonds, the Formation Documents or the District Documents, and compliance with the provisions of each thereof, will not conflict with or constitute a material breach of or default under any applicable law or administrative rule or regulation of the State, or of any department, division, agency or instrumentality thereof, or under any applicable court or administrative decree or order, or a material breach of or default under any loan agreement, note, resolution, trust agreement, contract, agreement or other instrument to which the District or the City, acting on behalf of the District, as the case may be, is a party or is otherwise subject to or bound;

(e) Except for compliance with the blue sky or other states securities law filings, as to which the District makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the District of its obligations hereunder, or under the Formation Documents or the District Documents, have been obtained and are in full force and effect;

(f) The Special Tax constituting the security for the Bonds (i) has been duly and lawfully authorized and may be levied under the Act and the Constitution and the applicable laws of the State of California, and (ii) such Special Tax, when levied in accordance with the Rate and Method of Apportionment, will constitute a valid and legally binding continuing lien on the properties on which it has been levied, subject to the effect of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights generally, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against agencies in the State of California;

(g) The District has never been in default at any time, as to principal of or interest on any obligation which it has issued, which default may have an adverse effect on the ability of the District to consummate the transactions on its part under the District Documents, except as specifically disclosed in the Official Statement; and other than the Indenture and the Notice of Special Tax Lien, the District has not entered into any contract or arrangement of any

kind which might give rise to any lien or encumbrance on the Special Taxes following issuance of the Bonds.

(h) Until the earlier of (i) the date which is twenty-five (25) days after the "end of the underwriting period" (as hereinafter defined), or (ii) the date on which all of the Bonds have been sold by the Underwriter, if any event shall occur of which the District is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the District shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's or District's opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the District shall promptly furnish to the Underwriter electronic copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as (i) the District delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "end of the underwriting period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "end of the underwriting period," and the Underwriter agrees to notify the District in writing of the date on which the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public;

(i) The Indenture creates a valid pledge of the Special Taxes and the moneys in the Special Tax Fund (other than the Administrative Expenses) established pursuant to the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(j) Except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending or, to the best current, actual knowledge of the District, threatened against the District or the City, acting on behalf of the District, in which the District or the City has been served (i) which would materially adversely affect the ability of either the District to perform its obligations under the Formation Documents, the Bonds or the District Documents, or (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Special Tax pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Formation Documents, the District Documents, or any action contemplated by any of said documents, or (iii) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the powers or authority of the District with respect to the Bonds, the Formation Documents, the District Documents, or any action of the District contemplated by any of said documents; nor is there any action pending or, to the best knowledge of the District, threatened against the District or the City, acting in the capacity of the District, in which the District or the City has been served, which alleges that interest on the Bonds is not excludable

from gross income for federal income tax purposes or is not exempt from California personal income taxation;

(k) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, the District shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any blue sky filing;

(l) Any certificate signed by any authorized official of the District and the City, acting on behalf of the District, authorized to do so shall be deemed a representation and warranty to the Underwriter as to the statements made therein;

(m) Based on a review of it prior undertakings with respect to Rule 15c2-12, and except as otherwise described in the Official Statement, neither the District nor the City has failed in any material respect to comply with any undertaking of the City or the District under Rule 15c2-12 in the previous five years, and the District and City are currently in compliance with all filing requirements under Rule 15c2-12 in all material respects;

(n) The District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement;

(o) The total interest cost to maturity on the Bonds plus the principal amount of the Bonds is less than the total remaining interest cost to maturity on the Refunded Bonds plus the outstanding principal amount of the Refunded Bonds;

(p) The information contained in the Preliminary Official Statement and the Official Statement as of the date thereof did not, and on the Closing Date the Official Statement will not, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(q) The Preliminary Official Statement heretofore delivered to the Underwriter was deemed final by the District as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby covenants and agrees that, within seven (7) business days from the date hereof, the District shall cause a final version of the Official Statement to be electronically delivered to the Underwriter, so that the Underwriter may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the MSRB.

3. Conditions to the Obligations of the Underwriter. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the District contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the District or the City, acting on behalf of the District, made in any certificates or other

documents furnished pursuant to the provisions hereof, to the performance by the District of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Formation Documents and the District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected, in the reasonable judgment of the Underwriter following consultation with the District (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest as would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof (it being acknowledged by the parties hereto that of the date hereof no such legislation, ruling, regulation, press release or other form of notice which would result in such adverse impact on the market price or marketability of the Bonds exists);

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District or the City, their property, income, securities (or interest thereon), or the validity or enforceability of the Special Tax;

(4) any event occurring, or information becoming known, which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or results in the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency or calamity relating to the effective operation of the government of, or the financial community in, the United States;

(6) the declaration of a general banking moratorium by federal, State of New York or State of California authorities, or the general suspension of trading on any national securities exchange;

(7) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(9) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(10) the withdrawal or downgrading of the Insurer by a national rating agency; or

(11) any amendment is made to the Official Statement that in the Underwriter's reasonable judgment will materially adversely affect the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(c) On the Closing Date, the Underwriter shall have received counterpart originals or certified copies of the following documents, in each case reasonably satisfactory in form and substance to the Underwriter:

(1) the District Documents;

(2) a certificate dated as of the Closing Date of the City Clerk to the effect that the Formation Documents were adopted by the City Council and have not been amended or rescinded;

(3) the Preliminary Official Statement and the Official Statement;

(4) an opinion of Bond Counsel, dated the Closing Date and addressed to the District, in the form attached to the Preliminary Official Statement as APPENDIX B, and an unqualified opinion of such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such approving opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

(5) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming such agreement constitutes a valid and binding obligation of the other parties thereto, constitutes the legally valid and binding agreement of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law); (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE REFUNDING PLAN," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX EXEMPTION" and APPENDICES B and D thereof, insofar as it purports to summarize certain provisions of the Act, the Bonds and the Indenture and such counsel's opinion as to the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds, present a fair and accurate summary of such provisions;

(6) a letter from Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel ("Disclosure Counsel"), to the District and the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, no facts have come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds that have caused them to believe that the Official Statement as of its date contained, or as of the Closing Date contains, any untrue statement of a material fact, or as of its date omitted, or as of the Closing Date omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that the firm expresses no view with respect to any information concerning The Depository Trust Company, or the book-entry system, or with respect to any financial,

statistical, economic or demographic data or revenue or other forecasts, projections, numbers, estimates, tables, assumptions, appraisals, assessed valuations or assumptions or expressions of opinion contained in the Official Statement, or with respect to any of the appendices thereto);

(7) a defeasance opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in a form satisfactory to the Underwriter, with respect to the Refunded Bonds;

(8) a certificate, dated the Closing Date and signed by an authorized representative of the District, ratifying the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds; and certifying that (i) the representations and warranties of the District contained in Section 2 hereof are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds, the Formation Documents and the District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement; (iii) the District has complied with all the material agreements and satisfied all the conditions on its part to be performed or satisfied under the Formation Documents, the District Documents and the Official Statement at or prior to the Closing Date; and (iv) the District is currently in compliance with the requirements of Rule 15c2-12 in all material respects;

(9) an opinion of the City Attorney, as counsel to the District and the City, acting on behalf of the District, dated the Closing Date and addressed to the Underwriter, substantially to the effect that (i) the District is duly organized and validly existing under the Constitution and laws of the State as a community facilities district under the Act; (ii) the District has full legal right, power, and authority to execute and deliver the District Documents; (iii) the District Documents have been duly authorized, executed, and delivered by the District and, assuming due authorization and execution by any other applicable parties thereto, the District Documents constitute the valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally, to the limitations on legal remedies against municipal corporations in the State of California, and to the application of equitable principles if equitable remedies are sought; (iv) the City Council adopted the resolutions and ordinances forming the District, confirming the Special Taxes, approving the District Documents and authorizing the sale and issuance of the Bonds at meetings of the City Council which were called, held and conducted pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such resolutions and ordinances are now in full force and effect and have not been amended, modified or rescinded; (v) except as disclosed in the Official Statement, to the best of such counsel's current, actual knowledge, after due inquiry, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board, or body, pending or threatened against the District or the City, acting on behalf of the District, for which the District or the City has been served, to restrain or enjoin the issuance of the Bonds, the collection or application of the Special Taxes, or the payment of principal of and interest on the

Bonds, or in any way contesting the validity of the formation of the District, the Bonds, or the District Documents; (vi) the execution and delivery of the District Documents, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District or the City, acting on behalf of the District, a breach of or default under any agreement or other instrument to which either is a party or by which either is bound or any existing law, regulation, court order or consent decree to which either is subject that the City Attorney has, in the exercise of customary professional diligence, recognized as applicable to the District and the transactions contemplated by the District Documents and the Formation Documents, and with respect to such conflict, breach or default, would materially adversely affect the ability of the District to pay the principal or interest on the Bonds; and if any such agreement or instrument to which the City acting on behalf of the District or the District is a party is governed by the laws of a jurisdiction other than California, the City Attorney has assumed that such agreement or instrument is governed by the laws of California and the City Attorney expresses no opinion as to the effect of the District's performance of its obligations under the District Documents and the Formation Documents on the District's compliance with its financial covenants in such other agreements or instruments, and (vii) except as disclosed in the Official Statement, the Special Taxes constituting the security for the Bonds have been duly and lawfully levied under and pursuant to the Act and constitute valid and legally binding liens on the properties on which they have been levied, subject to the effect of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights generally, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipalities in the State of California;

(10) a certificate dated the Closing Date from Goodwin Consulting Group, Inc. (the "Special Tax Consultant") addressed to District and the Underwriter to the effect that (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment as of the Closing Date would generate at least 110% of the sum of the maximum annual debt service payable on the Bonds, plus the Administrative Expenses, based on such assumptions and qualifications as shall be acceptable to the Underwriter, and (ii) it has reviewed the Preliminary Official Statement and Official Statement, and the statements concerning the Rate and Method of Apportionment and all statistical, financial and other data set forth in the tables and described in the Official Statement which were derived from information supplied by the Special Tax Consultant for use in the Official Statement as of the date of the Official Statement and as of the Closing Date are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and no events or occurrences have been ascertained by the Special Tax Consultant or have come to its attention that would substantially change such information set forth in the Official Statement;

(11) a certificate of the District dated the Closing Date, in a form reasonably acceptable to Bond Counsel, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

(12) a certificate of the Trustee and an opinion of counsel to the Trustee dated the Closing Date and addressed to the District and the Underwriter to the effect that it has duly authorized the execution and delivery of the Indenture and that the Indenture is a valid and binding obligation of the Trustee enforceable in accordance with its terms;

(13) a certificate of the Escrow Agent and an opinion of counsel to the Escrow Agent dated the Closing Date and addressed to the District and the Underwriter to the effect that it has duly authorized the execution and delivery of the Escrow Agreement and that the Escrow Agreement is a valid and binding obligation of the Trustee enforceable in accordance with its terms;

(14) a certificate of Public Financial Management, Inc., as Financial Advisor to the District, dated the Closing Date, to the effect that while the Financial Advisor has not independently verified or undertaken an independent investigation of the information in the Preliminary Official Statement and the Official Statement, based on its participation in the preparation and review of the Preliminary Official Statement and Official Statement, no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement and Official Statement is as of the date of delivery of the Bonds, not true or correct in all material respects, or that the Preliminary Official Statement and the Official Statement contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading in light of the circumstances under which it was made;

(15) an opinion, dated the date of the Closing addressed to the Underwriter, of Nossaman LLP, counsel to the Underwriter, in such form as may be acceptable to the Underwriter;

(16) evidence as of the Closing Date satisfactory to the Underwriter that the Insured Bonds have received, at a minimum, a rating of "AA" from Standard Poor's Ratings Services ("S&P") reflecting delivery of the Policy by the Insurer, and the Bonds have received an underlying rating of "BBB-" from S&P, and that such ratings have not been revoked or downgraded;;

(17) a copy of the verification report of Grant Thornton, LLP, concluding that the amounts on deposit under the Escrow Agreement, together with interest thereon, are sufficient to defease the Refunded Bonds; and

(18) an executed Policy of the Insurer, insuring the scheduled payment of principal of and interest on the Insured Bonds, substantially in the form attached as APPENDIX G of the Official Statement;

(19) A certificate of the Insurer in form and substance satisfactory to Bond Counsel, including a certification of the appropriate agent of the Insurer evidencing the Insurer's determination that the information contained in the Official Statement regarding the Insurer and the Policy with respect to the Insured Bonds is accurate;

(20) an opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter and the District in form and substance acceptable to

counsel to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy constitutes the legal, valid and binding obligation of the Insurer enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption "BOND INSURANCE" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(21) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the statements and information contained in the Preliminary Official Statement and the Official Statement, of the District's representations and warranties contained herein and the due performance or satisfaction by the District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the District in connection with the transactions contemplated hereby and by the Official Statement.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 5 and Section 6 hereof shall continue in full force and effect.

4. Conditions of the District's Obligations. The District's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, except as disclosed in the Official Statement or as may be waived by the District, no litigation shall be pending or, to the knowledge of the duly authorized officer of the District executing the certificate referred to in Section 3(c)(6) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Formation Documents, the District Documents or the existence or powers of the District or the City; and

(b) As of the Closing Date, the District shall receive the opinions of Bond Counsel and Disclosure Counsel referred to in Section 3(c)(3) and (5) hereof.

5. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the District shall pay or cause to be paid (out of any legally available funds of the District) any expenses incident

to the performance of the District's obligations hereunder, including, but not limited to, the cost of printing and delivering the Bonds to the Underwriter, the cost of preparation, posting, distribution and delivery of the Indenture, the Preliminary Official Statement, the Official Statement and all other agreements and documents contemplated hereby (and drafts of any thereof) as requested by the Underwriter, bond insurance premiums, and any fees and disbursements of the Trustee for the Bonds then due, Bond Counsel, Disclosure Counsel, counsel to the District, and any accountants, engineers or any other experts or consultants the District or the City has retained in connection with the Bonds; and

(b) The District shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "blue sky" or legal investment memoranda and this Bond Purchase Agreement; expenses to qualify the Bonds for sale under any "blue sky" or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including Underwriter's counsel and any advertising expenses.

6. Notices. Any notice or other communication to be given to the District under this Bond Purchase Agreement may be given by delivering the same in writing to the District at the address set forth above; and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Mr. Ralph Holmes.

7. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriter (including their successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the District set forth in or made pursuant to this Bond Purchase Agreement and any certificates delivered hereunder shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Bond Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the District and regardless of delivery of and payment for the Bonds.

9. Effective. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance.

10. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the District.

11. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of California.

12. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY, INCOPORATED

By: _____
Authorized Representative

ACCEPTED:

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: _____
Title: _____
Time of Execution: _____

12. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY, INCOPORATED

By: _____
Authorized Representative

ACCEPTED:

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: Glorietta Gameraux
Title: _____
Time of Execution: 3:18 p.m.

343537_1343537.v1

EXHIBIT A

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield
2015	$ 320,000	2.000%	0.610%
2016	475,000	3.000	0.910
2017	535,000	4.000	1.310
2018	595,000	4.000	1.740
2019	655,000	4.500	2.140
2020	725,000	5.000	2.460
2021	805,000	5.000	2.820
2022	890,000	5.000	3.080
2023	980,000	5.000	3.310
2024	1,070,000	5.000	3.440
2025	1,170,000	5.000	3.550*
2026	1,275,000	5.000	3.700*
2027	1,385,000	5.000	3.810*
2028	1,505,000	5.000	3.920*
2029	1,625,000	5.000	4.000*
2030	1,760,000	5.000	4.070*
2031	1,900,000	5.000	4.140*
2036**	11,650,000	4.000	4.170

* Yield to first optional redemption date of September 1, 2024.
** Insured Term Bond.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 9, 2014

NEW ISSUE — BOOK-ENTRY-ONLY

RATINGS: "AA" (Insured Bonds)
S&P: "BBB-" (Underlying)
(See "RATINGS" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX EXEMPTION" herein with respect to other tax consequences with respect to the Bonds.

$28,525,000*
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

Dated: Delivery Date **Due: September 1, as shown on the inside cover page**

The City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Bonds") are being issued by Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto (the "Community Facilities District") to refund the Community Facilities District's outstanding Series 2006 Special Tax Bonds (the "Refunded Bonds"), to fund a Reserve Account securing the Bonds and to pay the costs of issuance of the Bonds. See "THE REFUNDING PLAN" herein. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to that certain Trust Indenture (the "Indenture"), dated as of July 1, 2014, by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are special obligations of the Community Facilities District and are payable from Net Special Taxes (as defined herein) derived from a certain annual Special Tax (as defined herein) to be levied on taxable property within the Community Facilities District and from certain other funds pledged under the Indenture, all as further described herein. The Special Tax is to be levied according to the rate and method of apportionment approved by the City Council of the City of Modesto and the qualified electors within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" herein. Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The Bonds are issuable in fully-registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in principal amounts of $5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable commencing March 1, 2015 and semiannually thereafter on each September 1 and March 1. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF MODESTO, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OF MODESTO OR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, special mandatory redemption from Special Tax prepayments, and mandatory sinking fund redemption as set forth herein. See "THE BONDS — Redemption of the Bonds" herein.

The scheduled payment of principal of and interest on some or all maturities of the Bonds are expected to be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. See "INTRODUCTION — Bond Insurance" and "BOND INSURANCE." The insured rating and information herein relating to Assured Guaranty Municipal Corp. will only apply to the maturities of the Bonds which the Community Facilities District determines to be insured by such policy, if any.

ASSURED GUARANTY® MUNICIPAL

Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, is serving as Disclosure Counsel to the Community Facilities District with respect to the Bonds. Certain legal matters will be passed on for the Community Facilities District and the City by the City Attorney. Certain legal matters will be passed on by Nossaman LLP, Irvine, California, as counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery on or about July 30, 2014.

STIFEL

Dated: July __, 2014

* Preliminary, subject to change.

MATURITY SCHEDULE

$_____ Serial Bonds

Maturity Date (September 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Price***	***CUSIP No.***[†]
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					

$_____ Term Bonds

$_____ ___% Term Bonds due September 1, 20__ Yield: _____% Price: _____ CUSIP No.[†] _____

[†] *Copyright 2014, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. Neither the Community Facilities District nor the Underwriter make any representations as to the accuracy of CUSIP data herein.*

CITY OF MODESTO

CITY COUNCIL

Garrad Marsh, *Mayor*
Dave Cogdill, *Council Member*
John Gunderson, *Council Member*
Jenny Kenoyer, *Council Member*
Dave Lopez, *Council Member*
Tony Madrigal, *Council Member*
Bill Zoslocki, *Council Member*

CITY OFFICIALS

Jim Holgersson, *Interim City Manager and District Administrator*
Gloriette Genereux, *Director of Finance*
Adam Lindgren, *City Attorney*
Roland R. Stevens, *Special Counsel*
Stephanie Lopez, *City Clerk*
Tina Rocha, *Administrator – Infrastructure Financing Programs*
Brent Sinclair, AICP, *Director of Community and Economic Development*

PROFESSIONAL SERVICES

Bond and Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Financial Advisor

Public Financial Management
San Francisco, California

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent

Grant Thornton, LLP
Minneapolis, Minnesota

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the Community Facilities District. No dealer, broker, salesperson or other person has been authorized by the City, the Community Facilities District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Community Facilities District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption "THE COMMUNITY FACILITIES DISTRICT."

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the Community Facilities District's Continuing Disclosure Agreement, a form of which is attached hereto as Exhibit F, neither the Community Facilities District nor the City plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

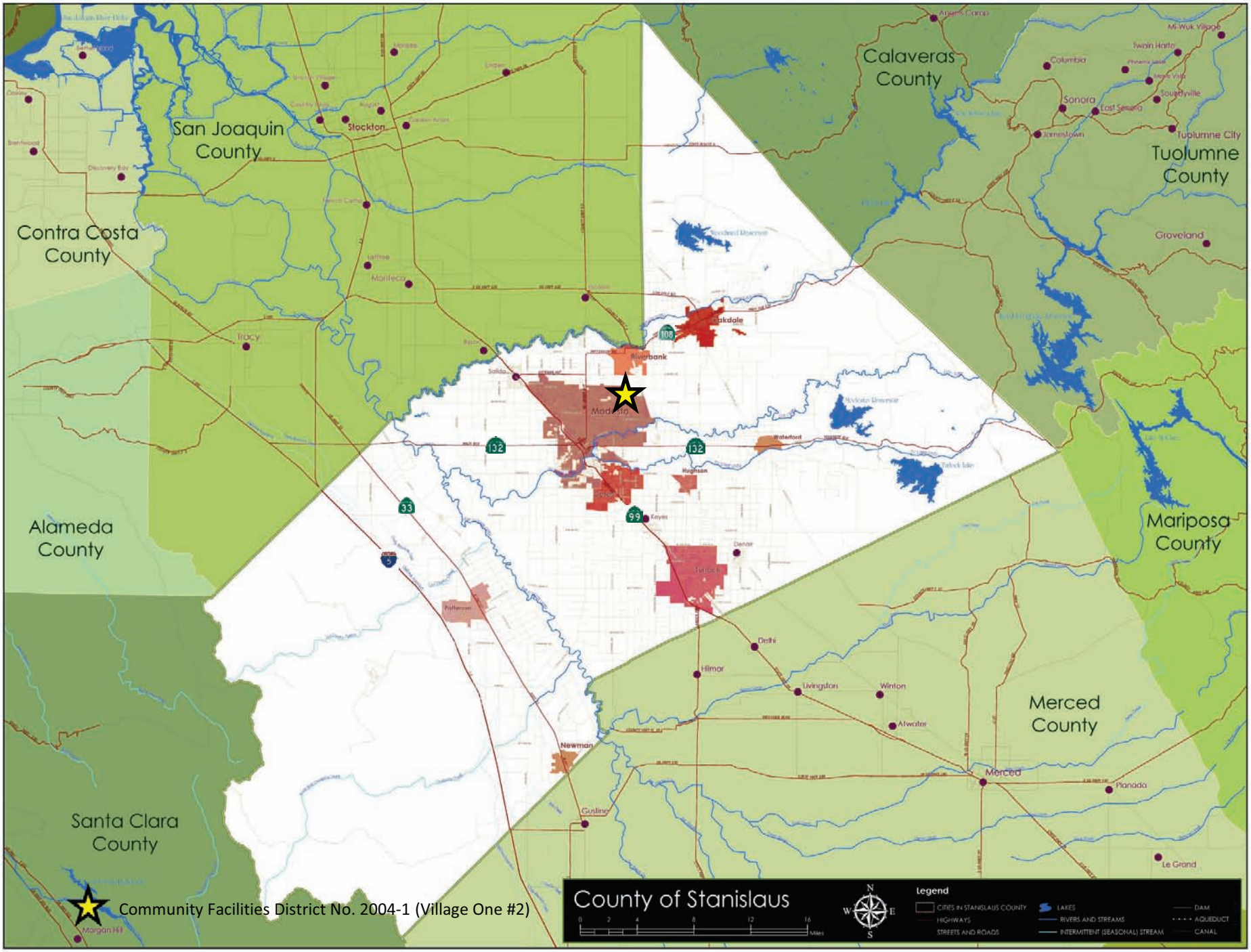
Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "Appendix G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page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San Joaquin County
Contra Costa County
Tuolumne County
Alameda County
Mariposa County
Merced County
Santa Clara County
Stockton
Manteca
Tracy
Riverbank
Modesto
Waterford
Hughson
Keyes
Denair
Turlock
Patterson
Delhi
Hilmar
Livingston
Winton
Atwater
Newman
Gustine
Merced
Planada
Le Grand
Morgan Hill
Groveland
Sonora
Columbia
Tuolumne City
Community Facilities District No. 2004-1 (Village One #2)
County of Stanislaus
Legend

City of Modesto

Village One Community Facilities District No. 2004-1

0 0.125 0.25 0.5 Miles

June 19, 2014

Village One 2004-1

Aerial Date: 2013

MODESTO CALIFORNIA

$28,525,000*
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the "Official Statement"), is to provide certain information concerning the issuance by City of Modesto Community Facilities District No. 2004-1 (the "Community Facilities District") of its 2014 Special Tax Refunding Bonds in the aggregate principal amount of $28,525,000* (the "Bonds"). The proceeds of the Bonds, together with certain existing funds of the Community Facilities District, will be used to defease all of the Community Facilities District's outstanding Series 2006 Special Tax Bonds, originally issued in the aggregate principal amount of $31,085,000 and now outstanding in the principal amount of $29,925,000 (the "Refunded Bonds"). A portion of the Bonds will be used to fund a deposit to the Reserve Account and to pay costs of issuance of the Bonds. See "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq*. of the Government Code of the State of California) (the "Act"), and that certain Trust Indenture dated, as of July 1, 2014 (the "Indenture"), by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"). The Bonds are secured under the Indenture by a pledge of and lien upon Net Special Taxes (as defined herein) and all moneys in the Special Tax Fund as described in the Indenture.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The Community Facilities District

General. The City Council formed the Community Facilities District under the Act to provide for the financing of public improvements to meet the needs of development in the portion of the City known as "Village One." The Community Facilities District is part of the City's plan to provide financing for the infrastructure that will be required in order to support the development of Village One.

Village One is located in the northeastern portion of the City's urban area and is anticipated to be developed as a pedestrian oriented, mixed use planned community. At its ultimate buildout, Village One is expected to include a variety of residential, commercial, and industrial land uses. As a result of annexations subsequent to its formation, the Community Facilities District currently encompasses over 286 Net Taxable Acres (as defined in the Rate and Method of Apportionment) of the approximately 1,840 gross acres of land within Village One. Approximately twenty acres of land included within the Community Facilities District have been or are expected to be developed for commercial and office uses, and the remainder thereof has been

* *Preliminary, subject to change.*

or is expected to be developed for residential purposes including approximately 524 apartment units and 1,390 single-family residences.

As of June 30, 2013, there were 1,066 residential units which are all classified as "Village Residential Property" (residential units with a density of more than two units per acre) which had been completed and conveyed to individual home buyers. Additionally, there were 13 parcels of commercial property which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013) which have been or are expected to be developed for commercial and office uses, and 5 parcels of multifamily housing including 3 Apartment Units which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013). As of June 30, 2013 there were 337 parcels of Undeveloped Property (all but five of which were within a Final Map) and one parcel of taxable public property. See "THE COMMUNITY FACILITIES DISTRICT" for more information concerning the Community Facilities District.

Formation Proceedings. The Community Facilities District was formed on April 6, 2004. The Bonds are being issued pursuant to the Act and the Indenture. The Act was enacted by the State of California (the "State") legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on March 2, 2004, the City Council of the City of Modesto (the "City Council"), adopted Resolution No. 2004-127, stating its intention to form the Community Facilities District and to authorize the levy of a special tax on the taxable property within the Community Facilities District, and Resolution No. 2004-128, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed $75,000,000 within the Community Facilities District for the purpose of financing the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District. Subsequent to a noticed public hearing on April 6, 2004, the City Council adopted Resolution No. 2004-199 (the "Resolution of Formation") which established the Community Facilities District and authorized the levy of a special tax within the Community Facilities District, and Resolution No. 2004-200 ("Resolution to Incur Bonded Indebtedness") which determined the necessity to incur bonded indebtedness in an amount not to exceed $75,000,000 within the Community Facilities District, called an election within the Community Facilities District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit.

On April 6, 2004, an election was held within the Community Facilities District in which the landowners eligible to vote approved the proposition authorizing the issuance of bonds in an amount not to exceed $75,000,000 to finance the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District, the levying of the special taxes and the appropriations limit of $75,000,000. On April 6, 2004, the City Council, acting as the legislative body of the Community Facilities District, adopted Ordinance No. 3392-C.S. (the "Ordinance") which provides for the rate and method of apportionment (the "Rate and Method") and levying of the Special Tax. On April 16, 2004, a Notice of Special Tax Lien was recorded in the office of County Recorder of the County of Stanislaus (the "County") for the Community Facilities District, which was subsequently amended with each of 17 annexations to the Community Facilities District.

Pursuant to the Act, the seven members of the City Council now act as the legislative body for the Community Facilities District. Community Facilities District administrative services are provided by the City's staff.

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Agreement between Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") and the Community Facilities District. For more complete information, see "THE BONDS — General Provisions" herein.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions "THE COMMUNITY FACILITIES DISTRICT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

As used in this Official Statement, the term "Special Tax" means the "Annual Facilities Special Tax," as defined in the Rate and Method, which has been authorized to be levied against certain property within the Community Facilities District pursuant to the Act and in accordance with the Rate and Method, and does not include the Annual Maintenance Special Tax (as defined in the Rate and Method) or the One-Time Facilities Special Tax (as defined in the Rate and Method). See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" herein.

Under the Indenture, the principal of and interest on the Bonds are payable from Net Special Taxes and all amounts in the Special Tax Fund (including the Debt Service Account, the Principal Account and the Reserve Account) established under the Indenture. The "Net Special Taxes" are the Special Tax proceeds, including all proceeds from foreclosure sales for delinquent Special Taxes, remaining after payment of the Administrative Expenses up to the Administrative Expenses Cap, which is $45,000 per fiscal year escalating two percent (2%) each Fiscal Year beginning in Fiscal Year 2014-15 (the "Administrative Expenses Cap"). The Bonds are secured only by the Net Special Taxes collected within the Community Facilities District. Amounts in the Administration Fund, Rebate Fund and the Surplus Fund are not pledged to the repayment of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes."

The Special Taxes are expected to be included on the regular property tax bills sent to the record owners of property within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS —Special Taxes." In the event of certain specified delinquencies in the payment of the Special Tax, the Community Facilities District has covenanted that it will commence and pursue judicial foreclosure proceedings with respect to delinquent Special Taxes under the circumstances described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION

THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Net Special Taxes are the primary security for the repayment of the Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in certain funds under the Indenture, including amounts held in the Reserve Account of the Special Tax Fund. The Community Facilities District has covenanted for the benefit of the owners of the Bonds that it will, under certain circumstances described herein, commence, or cause to be commenced, and diligently prosecute to judgment (unless the delinquency is brought current), judicial foreclosure proceedings against assessor's parcels with delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" herein."

The Community Facilities District has covenanted not to issue additional indebtedness secured by the Special Taxes on a parity basis to the lien of the Bonds, except for bonds issued for the purpose of refunding all or a portion of outstanding Bonds or parity bonds. See "THE BONDS — Issuance of Additional Bonds for Refunding Only" herein. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied on the property within the Community Facilities District. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein.

EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS.

Description of the Bonds

The Bonds will be issued and delivered as fully-registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

The Bonds are subject to optional redemption, special mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described herein. For a more complete descriptions of the Bonds and the basic documentation pursuant to which the Bonds are being sold and delivered, see "THE BONDS" and APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

Tax Exemption

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference

for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See "TAX EXEMPTION" herein.

Set forth in APPENDIX B is the opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences incidental to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see "TAX EXEMPTION" herein.

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Trustee under the Indenture and as Escrow Bank under the Escrow Agreement (each as defined herein). Stifel, Nicolaus & Company, Incorporated is the Underwriter of the Bonds. All proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the City and the Community Facilities District by the City Attorney. Certain legal matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California. Other professional services have been performed by Goodwin Consulting Group, Inc., Sacramento, California, as Special Tax Consultant and Dissemination Agent and Grant Thornton, LLP, Minneapolis, Minnesota, as verification agent.

For information concerning whether certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see "FINANCIAL INTERESTS" herein.

Continuing Disclosure

The Community Facilities District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system available on the Internet at http://emma.msrb.org ("EMMA") certain annual financial information and operating data. The Community Facilities District will further agree to provide notice of certain listed events. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE" herein and APPENDIX E hereto for a description of the specific nature of the annual reports to be filed by the Community Facilities District and notices of listed events to be provided by the Community Facilities District. In connection with certain obligations, the City failed to file required notices of rating downgrades with respect to certain insured obligations and failed to timely file certain of its audited financial statements for certain obligations. Additionally, in connection with the City's 2006 wastewater revenue bonds, the City failed to file a required notice of a ratings increase. Other than as disclosed in this Official Statement, within the last five years, neither the City nor the Community Facilities District has failed to timely comply with their prior continuing disclosure obligations under Rule 15c2-12(b)(5) in all material respects. See "CONTINUING DISCLOSURE."

Bond Insurance

The Community Facilities District has applied for municipal bond insurance with respect to the Bonds from Assured Guaranty Municipal Corp. ("AGM"). The decision whether to purchase municipal bond insurance from AGM for some or all maturities of the Bonds will be made at pricing based on market conditions at that time.

Bond Owners' Risks

Certain events could affect the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK

FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds may not be appropriate investments for some types of investors. See "SPECIAL RISK FACTORS" herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City, acting as the legislative body of the Community Facilities District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Copies of the Indenture and other documents and information are available for inspection and (upon request and payment to the Community Facilities District of a charge for copying, mailing and handling) for delivery from the City at 1010 Tenth Street, Modesto California 95353, Attention: Community Facilities District Administrative Officer.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds, together with prior funds on hand.

Sources of Funds	
Principal Amount of Bonds	$
Less: Original Issue Discount	
Less: Underwriter's Discount	
Plus: Prior Funds	
Total Sources	$
Uses of Funds:	
Escrow Fund to Redeem Refunded Bonds	$
Reserve Account of the Special Tax Fund	
Costs of Issuance Fund	
Total Uses	$

THE REFUNDING PLAN

A portion of the proceeds from the sale of the Bonds will be used along with other funds held by the Community Facilities District to defease the Refunded Bonds. The Community Facilities District will enter into an Escrow Agreement with regard to the Refunded Bonds (the "Escrow Agreement"), dated as of July 1, 2014, by and between the Community Facilities District and the Trustee, as prior Trustee and as escrow bank (the "Escrow Bank"). An irrevocable escrow fund will be established under the Escrow Agreement (the "Escrow Fund"). The moneys deposited with the Escrow Bank will be sufficient to pay the principal of and premium, and interest on, the Refunded Bonds due and payable on September 1, 2014, and to defease the remaining Refunded Bonds and redeem such Refunded Bonds maturing on and after September 1, 2014 on September 1, 2014 (the "Redemption Date"). Moneys on deposit in the Escrow Fund will either be invested in non-callable United States Treasury Securities – State and Local Government Series ("SLGS") or will be held uninvested as cash. The amounts in the Escrow Fund will be held by the Escrow Bank for the benefit of the

owners of the Refunded Bonds and will be applied to redeem the Refunded Bonds on September 1, 2014. Upon the establishment of the Escrow Fund as described above, the Refunded Bonds will be discharged under the Indenture and the owners of the Refunded Bonds will have no rights thereunder except to be paid the principal and interest due on the Refunded Bonds from amounts in the Escrow Fund.

Grant Thornton, LLP, upon delivery of the Bonds, will deliver a verification report relating to the sufficiency of moneys deposited into the Escrow Fund to pay the principal of, interest on and the redemption price with respect to the Refunded Bonds on the Redemption Date.

THE BONDS

Authority for Issuance

The Bonds in the aggregate principal amount of $28,525,000* are authorized to be issued by the Community Facilities District under and subject to the terms of the Indenture, the Act and other applicable laws of the State of California.

Purpose of the Bonds

The Bonds are being issued to provide funds to (i) defease the Refunded Bonds and redeem the Refunded Bonds on September 1, 2014, the Redemption Date, (ii) fund a reserve account securing the Bonds, and (iii) pay the costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE REFUNDING PLAN" herein.

General Provisions

The Bonds will be issued and delivered in the aggregate principal amount of $28,525,000*, initially in book-entry form and will bear interest at the rates per annum and will mature on the dates set forth on the cover page hereof. Individual purchases of the Bonds may be made in principal amounts of $5,000 and any integral multiple thereof. The Bonds will be dated the Delivery Date and interest will be payable thereon on September 1 and March 1 of each year, commencing March 1, 2015 (individually, an "Interest Payment Date"). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) the date of authentication is an Interest Payment Date, in which event it shall bear interest from such date, (ii) the date of authentication is after the 15th day of the month, regardless of whether such day is a Business Day but prior to the immediately succeeding Interest Payment Date (a "Record 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 Delivery Date; 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 the Delivery Date.

The Bonds are issued as fully-registered bonds and will be registered in the name of Cede & Co., as nominee DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 and any integral multiple thereof. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

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* *Preliminary, subject to change.*

Debt Service Schedule

The Special Tax is to be levied against the property within the Community Facilities District and collected according to the Rate and Method. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The Community Facilities District has covenanted to levy the Special Tax each year in time to have it placed on the secured property tax roll of the County. Actual collections of the Special Tax will depend on the Special Tax delinquencies.

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
DEBT SERVICE SCHEDULE

Period Ending September 1	*Principal*	*Interest*	*Total Debt Service*
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Totals			

Source: The Underwriter.

Redemption of the Bonds

Optional Redemption.[*] The Bonds maturing on or before September 1, 2024 are not subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to call and redemption, at the option of the Community Facilities District, from any available source of funds prior to their stated maturity on any date on or after September 1, 2024, as a whole or in part, and by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

[*] *Preliminary, subject to change.*

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ (the "20__ Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established by the Trust Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Due on September 1, 20__

Year (September 1)	***Mandatory Sinking Fund Redemption Amount***
(Maturity)	

In the event the Community Facilities District elects to redeem Bonds, the Community Facilities District is required to provide written notice to the Trustee of its election so to redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee must be given at least 35 but no more than 60 days prior to the redemption date or such shorter period as will be acceptable to the Trustee, provided that such notice of redemption may state that redemption is contingent upon the availability of refunding bond proceeds for such purpose.

Special Mandatory Redemption from Special Tax Prepayments.[*] The Bonds are subject to special mandatory redemption as a whole, or in part, on a pro rata basis among maturities, on any Interest Payment Date, and will be redeemed by the Trustee, from Special Tax Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Account"), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

Redemption Dates	***Redemption Price***
Any Interest Payment Date through March 1, 2022	103%
September 1, 2022 and March 1, 2023	102
September 1, 2023 and March 1, 2024	101
September 1, 2024 and any Interest Payment Date thereafter	100

Special Tax Prepayments and amounts released from the Reserve Account in connection with Special Tax Prepayments will be allocated to the redemption of the Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds.

Purchase of Bonds. In lieu of payment at maturity or redemption, moneys in the Special Tax Fund may be used and withdrawn by the Trustee for purchase of Outstanding Bonds, upon the filing with the Trustee of an Officer's Certificate requesting such purchase, at a public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event will Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if the Bonds were to be redeemed in accordance with the Indenture.

[*] *Preliminary, subject to change.*

Selection of Bonds for Redemption

If less than all of the Outstanding Bonds are to be redeemed (except with respect to mandatory sinking fund redemption in which case selection shall be by lot), the Trustee shall select Bonds pro rata among maturities and by lot within a maturity. 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, and, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000. The Trustee shall promptly notify the Community Facilities District in writing of the Bonds, or portions thereof, selected for redemption.

Notice of Redemption

Notice of redemption, containing the information required by the Indenture, will be given by the Trustee in the name of the Community Facilities District at least 30 but not more than 60 days prior to the redemption date; provided that such notice of redemption may state that redemption is contingent upon the availability of refunding bond proceeds for such purpose. The Indenture requires that the notice of redemption (a) specify the serial numbers and the maturity date or dates of the Bonds selected for redemption, except that where all the Bonds subject to redemption, or all the Bonds of one maturity, are to be redeemed, the serial numbers thereof need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be surrendered for redemption; and (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed. The redemption notice will further state that on the specified date there shall become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date and that from and after such date, interest thereon shall cease to accrue and be payable. The redemption notice shall also be sent to EMMA.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Neither the failure to receive such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the redemption date. From and after 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 will cease to bear further interest.

In addition, no owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of the 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 made available to the Trustee.

Registration of Exchange or Transfer

Upon cessation of the book-entry system, 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 corporate trust office of the Trustee, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee and duly executed by the Bondowner or his or her duly authorized attorney. Bonds may be exchanged at said corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized

denominations of the same maturity. The Trustee will not collect from the Owner any charge for any new Bond issued upon any transfer or exchange but will require the Bondowner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. Whenever any Bond shall be surrendered for registration of transfer or exchange, the Community Facilities District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same 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 the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

Issuance of Additional Bonds for Refunding Only

The Community Facilities District may issue bonds secured by Net Special Taxes on a parity with the Bonds at any time, without the consent of the Bondowners, for the purpose of refunding all or a portion of the Outstanding Bonds ("Parity Bonds"). However, the Community Facilities District will not issue any additional bonds to finance additional public facilities.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds will be secured by a pledge of the Net Special Taxes and all moneys deposited in the Special Tax Fund. The Bonds are not secured by moneys on deposit in the Rebate Fund, the Administrative Fund or the Surplus Fund.

The Indenture defines the term "Net Special Taxes" to mean, for each fiscal year, Gross Taxes (exclusive of any penalties and interest accruing with respect to delinquent Special Tax installments) minus amounts (not in excess of the then current Administrative Expense Cap) set aside to pay Administrative Expenses and minus also the portion of any Prepayment that is not required to be deposited in the Special Tax Fund**.** "Gross Taxes" is defined by the Indenture to mean the amount of all Special Taxes received by the Community Facilities District, together with proceeds collected from the sale of property pursuant to the foreclosure provisions of the Trust Indenture for the delinquency of Special Taxes remaining after the payment of all of the costs related to such foreclosure actions, including, but not limited to, all legal fees and expenses, court costs, consultant and title insurance fees and expenses. The Indenture defined the term "Special Taxes" to mean the Annual Facilities Special Tax (as defined in the Rate and Method of Apportionment); accordingly, "Special Taxes" do not include the one time special tax authorized to be levied in connection with the issuance of a building permit for property within the Community Facilities District or the annual special tax authorized to be levied to provide maintenance services. The Administrative Expense Cap for the Community Facilities District is $45,000 for fiscal year 2013-14, but it can be increased by up to 2% per year. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions."

The Special Tax is exempt from the tax rate limitation of California Constitution Article XIIIA pursuant to Section 4 thereof because it constitutes a "special tax" authorized by a two-thirds vote of the qualified electors in the Community Facilities District. Consequently, the Community Facilities District is legally authorized and has covenanted in the Trust Indenture to levy the Special Tax pursuant to the Rate and Method of Apportionment in amounts which will be sufficient after making reasonable allowances for delinquencies, contingencies and errors in the estimates to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS —Special Taxes" below. The Rate and Method of Apportionment apportions the total amount of the Special Tax to be collected among the taxable parcels in the Community Facilities District as more particularly described herein. See "—Special Taxes—*Rate and Method of Apportionment of Special Tax,*" and "THE COMMUNITY FACILITIES DISTRICT" and APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

Although the Special Tax will be levied against taxable parcels within the Community Facilities District, it does not constitute a personal indebtedness of the respective property owners. There is no assurance

that the property owners will be financially able to pay the annual Special Tax or that they will pay it even if financially able to do so. See "SPECIAL RISK FACTORS" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

General.

In accordance with the provisions of the Act, the City Council established the Community Facilities District on April 6, 2004 for the purpose of financing the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District, as provided in the Resolution of Formation. The Resolution of Formation and the Resolution to Incur Bonded Indebtedness authorized the Community Facilities District to submit a proposition to the qualified electors of the Community Facilities District to authorize the issuance of an aggregate principal amount of bonds not to exceed $75,000,000 and the annual levy and collection of the Special Tax pursuant to the terms and conditions of the Act. The levy of the Special Tax and the Rate and Method were approved by the qualified electors within the Community Facilities District on April 6, 2004. On April 6, 2004, the City Council, acting as the legislative body of the Community Facilities District, adopted the Ordinance which provides for the levying of the Special Tax. The Rate and Method approved by the City Council and the qualified electors is set forth in Appendix A hereto.

The Special Tax applicable to each parcel of Taxable Property (as defined in the Rate and Method of Apportionment) within the Community Facilities District each Fiscal Year is required to be calculated pursuant to the Rate and Method of Apportionment and varies depending upon a parcel's Tax Zone, Expected Land Use and Net Taxable Acreage (each as defined in the Rate and Method of Apportionment). See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The Special Tax is expected to be collected by the County at the same time and in the same manner as general *ad valorem* property taxes. The Indenture requires that the Community Facilities District transfer to the Trustee no later than the last day of each month during which the Special Taxes are received by the Community Facilities District for deposit in the Special Tax Fund all the Special Taxes received by the Community Facilities District, provided that a Prepayment of the Special Tax is required to be deposited directly the Redemption Account of the Special Tax Fund (see APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Creation of Funds and Application of Revenues and Gross Taxes – Redemption Account of the Special Tax Fund").

Notwithstanding the foregoing, the Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method for the Community Facilities District. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See "SPECIAL RISK FACTORS — Insufficiency of Special Taxes."

Rate and Method of Apportionment of Special Tax.

The Community Facilities District is legally authorized and has covenanted to cause the levy of the Special Taxes in an amount determined according to the Rate and Method, which the City Council and the qualified electors of the Community Facilities District have approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in the Community Facilities District as more particularly described herein. The Community Facilities District adopted the Rate and Method following public hearings and elections conducted pursuant to the provisions of the Act. The full text of the Rate and Method is set forth in Appendix A hereto.

The Rate and Method of Apportionment is contained in APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Capitalized terms that are used in the discussion under this caption and not otherwise defined herein shall have the respective meanings ascribed to them in the Rate and Method of Apportionment. In general, the Rate and Method of Apportionment imposes a different Maximum Annual Facilities Special Tax on Taxable Property within the Community Facilities District depending upon which Tax Zone it is located in, its status as Developed Property, Undeveloped Property or Taxable Public Property, its Land Use Class and its Net Taxable Acreage. For Fiscal Year 2013-14 the Per Acre Maximum Annual Facilities Special Tax for Tax Zone 1 and Tax Zone 2 is approximately $4,203.14 per Net Taxable Acre for Low Density Residential Property, approximately $7,654.57 per Net Taxable Acre for Village Residential Property, approximately $8,630.96 per Net Taxable Acre for Multi-Family Property, approximately $4,266.48 per Net Taxable Acre for Commercial Property and approximately $3,047.49 per Net Taxable Acre for Industrial Property. Each Fiscal Year the Maximum Annual Facilities Special Tax escalates by 2% of the amount in effect in the prior Fiscal Year.

The Rate and Method of Apportionment defines "Net Taxable Acreage" as ". . . the total acreage within a Final Map or parcel less arterial road right-of-ways [sic] and property that is defined in the Final Map for use as a park site, school site, or city owned or CFD owned storm drain basin." Thus, for purposes of the Rate and Method of Apportionment, the Net Taxable Acreage of a parcel will be deemed to include areas that are in addition to the actual net area of the parcel.

Pursuant to the Rate and Method of Apportionment, the Administrator is required to determine the "Annual Facilities Special Tax Requirement" for the Community Facilities District for each Fiscal Year. The Annual Facilities Special Tax Requirement for the Community Facilities District is the amount necessary in any Fiscal Year: (i) to pay principal of and interest on Bonds, (ii) to pay administrative expenses of the Community Facilities District that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish the Reserve Account, (iv) to cure any delinquencies in the payment of principal of or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Annual Facility Special Tax proceeds. The amounts referred to in clauses (i) and (iii) of the preceding sentence may be reduced in any Fiscal Year by: (a) 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 Trust Indenture, (b) proceeds received by the Community Facilities District from the collection of penalties associated with delinquent Annual Facilities Special Taxes and (c) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

The Annual Facilities Special Tax Requirement is to be satisfied first by levying the Annual Facilities Special Tax Proportionately on each Parcel of Developed Property within the Community Facilities District at up to 100% of the applicable Maximum Annual Facilities Special Tax. If additional moneys are needed to satisfy the Annual Facilities Special Tax Requirement, and after applying any available Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Annual Facilities Special Tax for Undeveloped Property. Finally, any additional amounts required in order to satisfy the Annual

Facilities Special Tax Requirement shall be raised by the levy of the Annual Facilities Special Tax Proportionately on each Parcel of Taxable Public Property at up to 100% of the Maximum Annual Facilities Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Parcel within the Community Facilities District that is used for private residential purposes be increased by more than 10% per Fiscal Year as a consequence of a delinquency or default by the owner of any other Parcel within the Community Facilities District.

UNDER NO CIRCUMSTANCES MAY THE SPECIAL TAX ON ANY ASSESSOR'S PARCEL EXCEED THE MAXIMUM RATES AS SET FORTH IN APPENDIX A HERETO. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto.

In connection with the issuance of the Bonds, Goodwin Consulting Group, Inc., the Community Facilities District's Special Tax Consultant, will certify that the Maximum Special Tax that may be levied on assessor's parcels of Developed Property and Undeveloped Property within the Community Facilities District will be at least equal to 110% of maximum annual debt service on the Bonds plus the Administrative Expense Cap. Actual collections of the Special Tax will depend on the amount of Special Tax delinquencies.

Under the Rate and Method, the owner of a parcel may voluntarily prepay the Special Tax obligation for a parcel in whole or in part. Any voluntary prepayment of Special Taxes will result in a special mandatory redemption of the Bonds. See "THE BONDS — Redemption of the Bonds — *Special Mandatory Redemption from Special Tax Prepayments*."

Although the Special Taxes will constitute liens on taxed parcels within the Community Facilities District, such taxes do not constitute a personal indebtedness of the owners of property within the Community Facilities District. Moreover, other liens for taxes and assessments already exist on the property located within the Community Facilities District and others could come into existence in the future in certain situations without the consent or knowledge of the Community Facilities District or the landowners therein. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein. There is no assurance that the property owners in the Community Facilities District will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so. See the portion of this Official Statement entitled "SPECIAL RISK FACTORS."

10% Limitation on Increases in the Special Tax Levy as a Result of Delinquencies. Section 53321 of the Act states that under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes (parcels are considered "used for private residential purposes" on the date that an occupancy permit for private residential use is issued) be increased as a consequence of delinquency or default by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Therefore, even though the maximum Special Tax rates may allow for Special Tax increases greater than 10%, in the event of high delinquencies in the Community Facilities District, the Community Facilities District could not increase the Special Taxes in the fiscal year following such delinquencies by more than 10% on the residential units. See "SPECIAL RISK FACTORS — Insufficiency of Special Taxes."

Covenant Not to Reduce Special Tax Rates Unless Certain Conditions are Met

The Community Facilities District has covenanted in the Indenture that it will not take any actions that would discontinue or cause the discontinuance of the Special Tax levy or the Community Facilities District's authority to levy the Special Tax so long as the Bonds are Outstanding, including the initiation of proceedings under the Act to reduce the maximum Special Tax rates on then existing Developed Property below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to 110% of annual debt service on the Outstanding Bonds. The Community Facilities District has further

covenanted that in the event an initiative is adopted which purports to reduce maximum Special Tax rates or to limit the power of the Community Facilities District to levy Special Taxes for the purposes set forth above, it will commence and pursue legal action seeking to preserve its ability to comply with its covenants. There are no California court cases interpreting the enforceability of the foregoing covenants in light of Article XIIIC. See "SPECIAL RISK FACTORS — Proposition 218."

Existing Liens

The lots within the Community Facilities District are subject to additional indebtedness as set forth under the heading "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness" herein.

The lien for the Special Taxes is co-equal to the lien for the overlapping assessments and special taxes and the lien for general property taxes. See "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

Except as disclosed in this Official Statement, the Community Facilities District is unaware of any present or contemplated assessment district or community facilities district that includes property within the Community Facilities District. The Community Facilities District has no control, and the City has only limited control, over the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, will be on a parity with the Special Taxes.

No Obligation of the City Upon Delinquency

The City is under no obligation to transfer any funds of the City into the Special Tax Fund for payment of the principal of or interest on the Bonds if a delinquency occurs in the payment of any Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" for a discussion of the Community Facilities District's obligation to foreclosure Special Tax liens upon delinquencies.

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Act, the Community Facilities District covenants in the Indenture with and for the benefit of the Bondowners that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the Community Facilities District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than $5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question (ii) the balance on deposit in the Reserve Account of the Special Tax Fund is not less than the Reserve Requirement.

Pursuant to the Act, the Community Facilities District may waive delinquency penalties and redemption penalties if it determines that (i) the waivers shall apply only to parcels delinquent at the time of the determination, (ii) the waivers shall only be available with respect to parcels for which all past due and currently due Special Tax and all other costs are paid in full within a limited period of time specified in the determination, (iii) the waivers shall be available only with respect to parcels sold or otherwise transferred to new owners unrelated to the owner responsible for the delinquency, and (iv) the waivers are in the best interest of the Owners of the Bonds.

In the event foreclosure or foreclosures are necessary, there may be a delay in payments to Bondowners pending prosecution of the foreclosure proceedings and receipt by the Community Facilities

District of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase price or applicable property would be received at the foreclosure sale. See "SPECIAL RISK FACTORS —Bankruptcy and Foreclosure." Notwithstanding any other provision of the Trust Indenture, the City is not obligated to advance available funds from the City's treasury to cure any deficiency in the Special Tax Fund.

Reserve Account

In order to further secure the payment of principal of and interest on the Bonds, upon delivery of the Bonds, the Community Facilities District will deposit in the Reserve Account such amount equal to the Reserve Requirement with respect to the Bonds. Thereafter, the Community Facilities District is required, subject to the limits on the levy of the Special Tax, to deposit and to maintain the Reserve Requirement in the Reserve Account at all times while any of the Bonds are outstanding. The Reserve Requirement for the Bonds is defined as the amount equal to the lowest of: (i) 10% of the original proceeds of the Bonds; (ii) maximum annual principal and interest requirements on all Bonds outstanding or (iii) 125% of the average annual principal and interest requirements on all Bonds outstanding. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein. Subject to the limits on the maximum annual Special Tax which may be levied within the Community Facilities District, as described in APPENDIX A, the Community Facilities District has covenanted to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement while any Bonds are outstanding. Amounts in the Reserve Account are to be applied to the payment of (i) redemption of the Bonds in whole or in part, (ii) debt service on the Bonds to the extent other moneys are not available therefor, and (iii) the principal and interest due on the final maturity of the Bonds. In addition, moneys in the Reserve Account may be used to make any required transfer to the Rebate Fund. In the event of a prepayment of Special Taxes, under certain circumstances, a portion of the Reserve Account will be added to the amount being prepaid and be applied to redeem Bonds; provided, however, that no such transfer shall be made if it would result in the amount in the Reserve Account being less than the Reserve Requirement. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein for a description of additional requirements. In no event shall amounts in the Reserve Account be used to pay fees or expenses of the Trustee or its counsel.

Priority of Bonds and Pledge of Net Special Taxes

The Community Facilities District has pledged and assigned to the Trustee all Net Special Taxes (Special Taxes remaining after the payment of Administrative Expenses up to the Administrative Expenses Cap) for the payment of principal of, premium, if any, and interest on the Bonds. Pursuant to the Act and the Indenture, the Bonds shall be and are equally secured by a pledge of and lien upon the Net Special Taxes, and certain other amounts on deposit in the Special Tax Fund and the Reserve Account of the Special Tax Fund. So long as any of such Bonds are Outstanding and unpaid, the Net Special Taxes and the interest thereon may be used only as provided in the Indenture unless the Bondowners authorize other uses of such Net Special Taxes pursuant to the provisions of the Indenture. Nothing in the Indenture or in any Supplemental Indenture shall preclude the redemption prior to maturity of any Bonds subject to call and redemption or the payment of the Bonds from proceeds of refunding bonds issued under the Act or under any other law of the State.

Amounts in the Rebate Fund, Administration Fund and the Surplus Fund are not pledged to the repayment of the Bonds.

BOND INSURANCE

The information under this caption has been prepared by AGM for inclusion in this Official Statement. Neither the Community Facilities District nor the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix G for a specimen of the Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, AGM will issue its Municipal Bond Insurance Policy for the some or all maturities of the Bonds (the "Policy"). The Policy will guarantee the scheduled payment of principal of and interest on some or all maturities of the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At March 31, 2014, AGM's policyholders' surplus and contingency reserve were approximately $3,621 million and its net unearned premium reserve was approximately $1,869 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, of AGM's

wholly owned subsidiary Assured Guaranty (Europe) Ltd., and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; after giving effect to certain intercompany eliminations; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (filed by AGL with the SEC on May 9, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

THE CITY

The City is located in the northern San Joaquin Valley on State Highway 99, approximately 90 miles southeast of San Francisco, 86 miles east of San Jose and the Silicon Valley industrial area and 316 miles north

of Los Angeles. It has a land area of approximately 36 square miles and an estimated population of over 200,000 people. More detailed economic and demographic information about the City and its surrounding areas is contained in APPENDIX C — "GENERAL INFORMATION CONCERNING THE REGION." The City Council of the City serves as the legislative body of the Community Facilities District and certain members of the City staff provide services to the Community Facilities District. However, the Bonds are not obligations of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the Bonds.

THE COMMUNITY FACILITIES DISTRICT

General Description of the Community Facilities District

The City Council formed the Community Facilities District under the Act to provide for the financing of public improvements to meet the needs of development in the portion of the City known as "Village One." The Community Facilities District is part of the City's plan to provide financing for the infrastructure that will be required in order to support the development of Village One.

Village One is located in the northeastern portion of the City's urban area and is anticipated to be developed as a pedestrian-oriented, mixed-use planned community. At its ultimate buildout, Village One is expected to include a variety of residential, commercial, and industrial land uses. As a result of annexations subsequent to its formation, the Community Facilities District currently encompasses over 286 Net Special Taxable Acres (as defined in the Rate and Method of Apportionment) of the approximately 1,840 gross acres of land within Village One. Approximately twenty acres of land included within the Community Facilities District have been or are expected to be developed for commercial and office uses, and the remainder thereof has been or is expected to be developed for residential purposes including approximately 524 apartment units and 1,390 single-family residences.

As of June 30, 2013, there were 1,066 residential units which are all classified as "Village Residential Property" (residential units with a density of more than two units per acre) which had been completed and conveyed to individual home buyers. Additionally, there were 13 parcels of commercial property which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013) which have been or are expected to be developed for commercial and office uses, and 5 parcels of multifamily housing including 3 Apartment Units which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013). As of June 30, 2013 there are 337 parcels of Undeveloped Property (all but five of which were within a Final Map) and one parcel of taxable public property.

The parcels which comprise the Community Facilities District are not contiguous to one another. However, with the exception of one property located on the northeast corner of the Sylvan and Roselle Avenues, the parcels are generally located south of Sylvan Avenue, west of Claus Road, north of Briggsmore Avenue, and east of Oakdale Road. A diagram showing the location of the various parcels within the Community Facilities District is included in APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.

Water service to the property within the Community Facilities District is supplied by the City. Water for properties within Village One is provided by ground water from the existing well located at Ustach Park and by surface water from the Tuolumne River. The surface water is treated at the City's existing surface water treatment plant. Three additional wells have been constructed to serve the area. Sewer service to the property within the Community Facilities District is also provided by the City.

Electricity is supplied by the Modesto Irrigation District, natural gas by Pacific Gas & Electric, telephone services by SBC and public safety services (police and fire) by the City.

Elementary and middle schools for the residents of property within the Community Facilities District are provided by the Sylvan Union School District, and high schools are provided by the Modesto City Schools District. The City's Village One plan states that two elementary schools, two middle schools and a high school will be needed in order to accommodate the student population of Village One at build out. The elementary schools, Freedom Elementary School and the Mary Ann Sanders Elementary School and the two middle schools, Elizabeth J. Ustach Middle School and Daniel J. Savage Middle School, are complete. The James C. Enochs High School is also complete.

According to the California Seismic Safety Commission, the County is located in Seismic Zone 3. Zone 3 is a medium risk area common to the Central Valley. The Community Facilities District is not aware of any active faults located under or near the property, and none of the property is located in an Alquist-Priolo Earthquake Fault Zone. The Federal Emergency Management Agency has determined that the Community Facilities District is located in a Flood Zone C designated area (an area that is outside the 100-year flood plain).

Direct and Overlapping Indebtedness

The Community Facilities District is included within the boundaries of numerous overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the Community Facilities District is shown in the table below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the Community Facilities District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

The ability of an owner of land within the Community Facilities District to pay the Special Taxes could be affected by the existence of other taxes and assessments imposed upon the property. These taxes consist of the direct and overlapping debt set forth in Table 1 below. As of June 1, 2014, the sum of the direct and overlapping tax and assessment debt applicable to the property within the Community Facilities District, including the Refunded Bonds but excluding the Bonds, was $39,458,141. In addition, other public agencies whose boundaries overlap those of the Community Facilities District could, without the consent of the Community Facilities District, and in certain cases without the consent of the owners of the land within the Community Facilities District, impose additional taxes or assessment liens on the property within the Community Facilities District in order to finance public improvements to be located inside of or outside of such area. The lien created on the property within the Community Facilities District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Taxes. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein.

Set forth below is a direct and overlapping debt report prepared by California Municipal Statistics, Inc. as of June 1, 2014. The table provides that the assessed value of the property within the Community Facilities District has been determined to be $350,395,662 for the Fiscal Year 2013-14. The debt report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or other special taxes. See Table 3 for all entities levying a tax or assessment within the Community Facilities District. The debt report is included for general information purposes only. Although the Community Facilities District has reviewed the debt report, it makes no representations as to its completeness or accuracy.

TABLE 1
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 1, 2014

2013-14 Local Secured Assessed Valuation: $350,395,662

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/15/14
Yosemite Community College District General Obligation Bonds	0.711%	$2,145,153
Modesto High School District General Obligation Bonds	1.970	892,068
Sylvan Union School District General Obligation Bonds	7.198	2,527,989
Schools Infrastructure Financing Agency Community Facilities District No. 1994-1	18.102	3,967,931 (1)
City of Modesto Community Facilities District No. 2004-1	**100.**	**29,925,000** (2)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$39,458,141
OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County General Fund Obligations	0.995%	$ 523,376
Stanislaus County Office of Education Certificates of Participation	0.995	36,606
Modesto High School District Certificates of Participation	1.970	323,444
City of Modesto General Fund Obligations	2.872	2,208,487
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,091,913
COMBINED TOTAL DEBT		$42,550,054 (3)

Ratios to 2013-14 Assessed Valuation:

Direct Debt ($29,925,000).....8.54%
Total Direct and Overlapping Tax and Assessment Debt..... 11.26%
Combined Total Debt 12.14%

(1) Prorated using Fiscal Year 2013-14 special tax.
(2) Excludes Mello-Roos Act bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Fiscal Year 2013-14 Special Tax Rates

The following Table 2 sets forth the Fiscal Year 2013-14 Special Tax levy by land use class.

TABLE 2
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ANNUAL FACILITIES SPECIAL TAX RATES
FOR FISCAL YEAR 2013-14

Land Use Class	*Number of Parcels*	*Maximum Facilities Special Tax Rate*	*Actual Facilities Special Tax Rate*	*Acreage Used for Tax Calculation*[1]	*Total Facilities Special Tax Levy*
Developed Property					
Low Density Residential	0	$4,203.14	$4,203.14	0.00	$ 0
Village Residential	1,070	7,654.57	7,654.57	195.64	1,497,563
Multi-Family	3	8,630.96	8,630.96	20.11	173,570
Commercial	13	4,266.48	4,266.48	20.92	89,235
Industrial	0	3,047.49	3,047.49	0.00	0
Subtotal Developed Property	1,086			236.67	$ 1,760,368
Undeveloped Property					
Low Density Residential	0	$4,203.14	$ 632.83	0.00	$ 0
Village Residential	334	7,654.57	1,152.48	65.06	74,983
Multi-Family	1	8,630.96	1,299.48	10.60	13,775
Commercial	2	4,266.48	642.36	5.10	3,278
Industrial	0	3,047.49	458.83	0.00	0
Subtotal Undeveloped Property	337			80.76	$ 92,035
Taxable Public Property					
Low Density Residential	0	$4,203.14	$ 0.00	0.00	$ 0
Village Residential	0	7,654.57	0.00	0.00	0
Multi-Family	1	8,630.96	0.00	0.57	0
Commercial	0	4,266.48	0.00	0.00	0
Industrial	0	3,047.49	0.00	0.00	0
Subtotal Taxable Public Property	1			0.57	$ 0
Grand Total					**$ 1,852,403**

(1) Represents the allocated acreage of Original Parcels pursuant to the Rate and Method of Apportionment; may not be equal to actual acreage.

Source: Goodwin Consulting Group, Inc.

Table 3 below sets forth Fiscal Year 2013-14 overall tax rates also applicable to selected properties within the Community Facilities District. Table 3 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. The sample tax bill of each of the units shown in Table 3 was selected based on the mix of development products and location in the City of the units in the Community Facilities District.

TABLE 3
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
TAX RATES FOR TWO SAMPLE RESIDENTIAL PARCELS
FISCAL YEAR 2013-14

Net Taxable Value	***Rate***	***Parcel 1***	***Parcel 2***
Secured assessed value		$182,070	$293,500
Less: Homeowner exemption		($7,000)	($7,000)
Net Taxable Value		$175,070	$286,500
Basic levy rate @ 1%	1.0000%	$1,751	$2,865
Direct and Special Assessments			
Sylvan Elementary Bond 2011 Refunding	0.0255%	$44.64	$73.06
Sylvan Elementary Bond 2007	0.0263	46.04	75.35
Modesto High Bond 2001	0.0364	63.73	104.29
YCCD Bond 2007C	0.0190	33.26	54.44
YCCD Bond 2010D	0.0004	0.70	1.15
YCCD Bond 2012 Refunding	0.0076	13.31	21.77
SIFA CFD No. 1994-1[(2)]		323.00	390.30
SIFA Tax CR		(41.52)	(71.14)
Modesto CFD No. 2004-1 (Services)		367.76	405.14
Modesto CFD No. 2004-1 (Facilities)		$1,484.08	$1,634.98
Total property taxes and levies[(1)]		$4,085.70	$5,554.33
Tax rate as % of secured assessed value		2.24%	1.89%

(1) Totals may not add due to rounding.
(2) Approximately 74 parcels within the Community Facilities District are also within the Schools Infrastructure Financing Agency ("SIFA") Community Facilities District No. 1994-1 ("SIFA CFD No. 1994-1").
Sources: Stanislaus County Tax Collector's Office, Goodwin Consulting Group, Inc.

Estimated Assessed Value-to-Lien Ratios

Set forth in Table 4 below is the historical assessed value of the taxable property within the Community Facilities District for Fiscal Years 2005-06 through 2013-14.

TABLE 4
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ASSESSED VALUATION
FISCAL YEARS 2005-06 THROUGH 2013-14

Fiscal Year Ending June 30	*Land Assessed Value*	*Improvement Assessed Value*	*Total Assessed Value*[1]	*Percent Change*
2006	$ 29,953,768	$ 1,649,040	$ 31,676,358	N/A
2007	145,189,659	110,424,974	256,592,443	710%
2008	210,159,638	204,508,642	414,668,280	62
2009	120,308,016	261,340,033	382,225,451	(-8)
2010	88,747,878	296,180,786	385,453,504	1
2011	84,199,198	278,366,573	363,488,090	(-6)
2012	85,954,252	258,367,405	345,240,457	(-5)
2013	85,933,178	248,225,417	335,617,315	(-3)
2014	78,931,344	270,082,978	350,395,662	4

(1) Values may not sum due to "Other" values not shown.
Sources: Stanislaus County Assessor's Office, Goodwin Consulting Group, Inc.

Set forth below in Table 5 is a table showing the assessed value-to-lien ratio of the property within the Community Facilities District.

TABLE 5
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ASSESSED VALUE-TO-LIEN RATIOS BY DEVELOPMENT STATUS

Development Characteristic	*Number of Parcels*[1]	*Fiscal Year 2013-14 Land Assessed Value*	*Fiscal Year 2013-14 Improvement Assessed Value*	*Fiscal Year 2013-14 Total Assessed Value*[2]	*Fiscal Year 2013-14 Maximum Facilities Special Tax*	*Fiscal Year 2013-14 Facilities Special Tax Levy*	*Land Secured Direct and Overlapping Debt*[3]*	*Value-to-Lien**
Developed Property								
Parcels With Improvement Value								
Village Residential	1,066	$56,617,032	$204,124,608	$260,741,640	$1,492,495	$1,492,495	$30,528,411	8.54 : 1
Multi-Family	3	3,862,033	41,106,047	46,317,760	173,570	173,570	3,882,965	11.93 : 1
Commercial	12	9,644,857	24,322,493	33,988,010	85,694	85,694	1,860,705	18.27 : 1
Parcels Without Improvement Value								
Village Residential	4	120,100	0	120,100	5,068	5,068	84,677	1.42 : 1
Commercial	1	663,000	0	663,000	3,541	3,541	65,083	10.19 : 1
Subtotal Developed Property	1,086	$70,907,022	$269,553,148	$341,830,510	$1,760,368	$1,760,368	$36,421,841	9.39 : 1
Undeveloped Property								
Parcels Within a Final Map								
Village Residential	331	$7,080,771	$386,165	$7,466,936	$383,896	$57,799	$1,012,829	7.37 : 1
Commercial	1	10,457	31,464	41,921	7,946	1,196	19,089	2.20 : 1
Parcels Not Within a Final Map								
Village Residential	3	467,200	112,200	579,400	114,130	17,183	273,831	2.12 : 1
Multi-Family	1	234,021	0	234,021	91,489	13,775	215,841	1.08 : 1
Commercial	1	231,872	0	231,872	13,824	2,081	35,741	6.49 : 1
Subtotal Undeveloped Property	337	$8,024,321	$529,829	$8,554,150	$611,284	$92,035	$1,557,332	5.49 : 1
Taxable Public Property								
Multi-Family	1	$1	$1	$11,002	$4,920	$0	$43,153	0.25 : 1
Grand Total	1,424	$78,931,344	$270,082,978	$350,395,662	$2,376,573	$1,852,403	$38,022,326	9.22 : 1

* *Preliminary, subject to change.*

(1) Does not include parcels owned by the Housing Authority of Stanislaus County, on which a Facilities Special Tax was not levied in fiscal year 2013-14.

(2) Values may not sum due to "Other" values not shown.

(3) Represents the debt lien based on the Bonds, allocated based on the actual Fiscal year 2013-14 facilities special tax levy and not the Maximum Facilities Special Tax. Includes the overlapping debt lien of the SIFA CFD No. 1994-1 Special Tax Bonds, Series 2004 (the "SIFA 2004 Bonds"), and overlapping general obligation debt secured by ad valorem taxes on the property. Does not take into account the potential refunding of the SIFA 2004 Bonds, which would reduce the overlapping debt lien by approximately $2.1 million. Approximately 74 parcels within the Community Facilities District are also within SIFA CFD No. 1994-1.

Sources: Stanislaus County Assessor's Office, Stifel, Nicolaus & Company, Incorporated, Goodwin Consulting Group, Inc.

Table 6 below sets forth the estimated assessed value-to-lien ratios for parcels within the Community Facilities District by various ranges based upon the Fiscal Year 2013-14 Assessed values within the Community Facilities District and direct and overlapping land secured debt.

TABLE 6
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
DISTRIBUTION OF FISCAL YEAR 2013-14 SECURED ASSESSED VALUE-TO-LIEN RATIOS

Assessed Value-to-Lien Ratio	*No. of Parcels*[1]	*Fiscal Year 2012-13 Total Assessed Value*[1]	*Fiscal Year 2012-13 Special Tax Levy*	*% of Total Fiscal Year 2013-14 Special Tax Levy*	*Pro Rata Share of Bonds*[2]*	*Overlapping Debt Lien*[3]*	*Total Debt Lien* *
20:1 or Greater	7	$ 11,174,436	$ 22,661	1.22%	$ 348,954	$ 177,905	$ 526,858
15:1 ≤ x < 20:1	8	22,158,659	56,294	3.04	866,869	356,688	1,223,557
10:1 ≤ x < 15:1	129	80,089,392	327,773	17.69	5,047,351	1,867,283	6,914,634
5:1 ≤ x < 10:1	1,261	235,366,759	1,400,708	75.62	21,569,385	7,014,849	28,584,234
3:1 ≤ x < 5: 1	10	834,172	11,271	0.61	173,559	20,607	194,166
Less than 3:1	8	761,242	33,696	1.82	518,882	16,841	535,723
Total	1,423	$350,384,660	$1,852,403	100.00%	$28,525,000	$9,454,172	$37,979,172

* *Preliminary, subject to change.*

(1) Does not include Taxable Public Property or parcels owned by the Housing Authority of Stanislaus County, on which a Facilities Special Tax was not levied in Fiscal Year 2013-14.

(2) Represents the debt lien based on the Bonds, allocated based on the actual Fiscal Year 2013-14 Facilities Special Tax levy and not the Maximum Facilities Special Tax.

(3) Includes the overlapping debt lien of the SIFA CFD No. 1994-1 Special Tax Bonds, Series 2004 and overlapping general obligation debt secured by ad valorem taxes on the property. Does not take into account the potential refunding of the SIFA 2004 Bonds, which would reduce the overlapping debt lien by approximately $2.1 million. Approximately 74 parcels within the Community Facilities District are also within SIFA CFD No. 1994-1.

Sources: Stanislaus County Assessor's Office, Stifel, Nicolaus & Company, Incorporated, Goodwin Consulting Group, Inc.

Delinquency History

The following table is a summary of Special Tax levies, collections and delinquency rates in the Community Facilities District for Fiscal Years 2006-07 through Fiscal Year 2013-14.

TABLE 7
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
SPECIAL TAX LEVY, DELINQUENCY, AND COLLECTION
FISCAL YEARS 2006-07 THROUGH 2013-14

		As of the end of each fiscal year				*As of June 20, 2014*			
Fiscal Year Ending June 30	***Facilities Special Tax Levy***	***Number of Parcels Delinquent***	***Amount Delinquent***	***Percentage Delinquent***	***Facilities Special Tax Collected***	***Number of Parcels Delinquent***	***Amount Delinquent***	***Percentage Delinquent***	***Facilities Special Tax Collected***
2007	$1,966,274	53	$ 87,607	4.46%	$1,878,667	0	$ 0	0.00%	$1,966,274
2008	2,082,069	136	168,334	8.08	1,913,735	0	0	0.00	2,082,069
2009	2,145,979	62	86,945	4.05	2,059,035	0	0	0.00	2,145,979
2010	1,586,695	49	49,596	3.13	1,537,099	0	0	0.00	1,586,695
2011	1,884,881	23	58,843	3.12	1,826,038	0	0	0.00	1,884,881
2012	1,801,492	33	30,972	1.72	1,770,521	1	1,541	0.09	1,799,952[(1)]
2013	1,834,647	11	5,654	0.31	1,828,993	1	1,572	0.09	1,833,076[(1)]
2014	1,852,403	8	8,243	0.44	1,844,160	8	8,243	0.44	1,844,160

Sources: Stanislaus County Assessor's Office, Goodwin Consulting Group, Inc.

(1) Pursuant to the Trust Indenture for the Refunded Bonds, this parcel's delinquent special taxes were stripped from the County tax roll on June 21, 2012. The Community Facilities District is currently pursuing collection of these delinquent amounts.

Top Taxpayers

Table 8 sets forth the top ten taxpayers within the Community Facilities District based on the Fiscal Year 2013-14 Special Tax levy.

TABLE 8
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
TOP TEN TAXPAYERS
FISCAL YEAR 2013-14

Property Owner	*Land Use Class*	*Development Status*	*Number of Parcels*	*Number of Developed Multi-Family Units*	*Maximum Facilities Special Tax*	*Actual Facilities Special Tax Levy*	*Percent of District Total based on Actual Levy*	*Fiscal Year 2013-14 Land Assessed Value*	*Fiscal Year 2013-14 Improvement Assessed Value*	*Fiscal Year 2013-14 Total Assessed Value* [1]	*First Fiscal Year as Developed Property* [2]
Antelope Valley Ranches LLC	Multi-Family	Developed	1	240	$86,655	$86,655	4.68%	$ 1,761,033	$21,342,047	$23,810,760	2007-08
Brooks Landing Apt. Assoc. LLC	Multi-Family	Developed	1	232	81,995	81,995	4.43	2,000,000	19,025,000	21,667,000	2005-06
Village One Station LLC	Commercial	Developed	5	--	47,059	47,059	2.54	5,548,500	14,901,500	20,450,000	2007-08
Bonaventure Fund I LLC	Village Residential	Developed/ Undeveloped [3]	196	--	187,202	28,996	1.57	3,770,000	162,500	3,932,500	2007-08
Modesto Kodiak Investors LP	Village Residential	Undeveloped	65	--	102,518	15,435	0.83	1,625,000	0	1,625,000	N/A
(Individuals)	Multi-Family	Undeveloped	1	--	91,489	13,775	0.74	234,021	0	234,021	N/A
SKN Modesto LLC	Commercial	Developed	1	--	14,310	14,310	0.77	1,251,196	4,396,292	5,647,488	2008-09
Terravest Capital Partners LP	Village Residential	Developed/ Undeveloped [4]	47	--	58,721	12,025	0.65	960,000	0	960,000	2008-09
(Individuals)	Commercial	Developed	3	--	11,306	11,306	0.61	1,090,688	2,398,883	3,489,571	2006-07
Central California Development LLC	Village Residential	Undeveloped	1	--	64,069	9,646	0.52	253,000	0	253,000	N/A
Total			321	472	$745,325	$321,203	17.34%	$18,493,438	$62,226,222	$82,069,340	

(1) Total may not sum due to "Other" values not shown.
(2) Represents the first fiscal year that any parcel of property was taxed as Developed Property under the Rate and Method of Apportionment.
(3) For the Fiscal Year 2013-14 Special Tax Levy, one parcel was classified as Developed Property. The remaining 195 parcels were classified as Undeveloped Property.
(4) For the Fiscal Year 2013-14 Special Tax Levy, three parcels were classified as Developed Property. The remaining 44 parcels were classified as Undeveloped Property.
Source: Goodwin Consulting Group, Inc.

Historical Development Status

The following table sets forth the number of parcels categorized as Developed Property under the Rate and Method for Fiscal Years 2009-10 through 2013-14.

TABLE 9
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
PARCELS CATEGORIZED AS DEVELOPED PROPERTY
FISCAL YEAR 2009-10 THROUGH 2013-14

Fiscal Year	*Number of Developed Parcels*[1]	*Percent Change*
2009-10	1,056	--
2010-11	1,059	0.28%
2011-12	1,075	1.51
2012-13	1,085	0.93
2013-14	1,086	0.09

(1) Does not include Taxable Public Property.
Source: Goodwin Consulting Group, Inc.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks and, therefore, the Bonds are not suitable investments for many investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Community Facilities District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the Community Facilities District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Community Facilities District.

Risks of Real Estate Secured Investments Generally

The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of residential property or commercial buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the individual property owners will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See "SPECIAL RISK FACTORS — Bankruptcy and Foreclosure" below, for a discussion of certain limitations on the Community Facilities District's ability to pursue judicial proceedings with respect to delinquent parcels.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the credit nor the taxing power of the Community Facilities District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no Owner of the Bonds may compel the exercise of any taxing power by the Community Facilities District or the City or force the forfeiture of any City or Community Facilities District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the Community Facilities District's property or upon any of the City's or the Community Facilities District's income, receipts or revenues, except the Special Taxes and other amounts pledged under the Indenture.

Insufficiency of Special Taxes

The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Rate and Method. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property within the Community Facilities District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

(1) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

(2) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" herein, the Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Account is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

In addition, under no circumstances will the Special Taxes levied against any parcel of Residential Property be increased by more than 10% per Fiscal Year as a consequence of delinquency or default by the owner of any other parcel within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Rate and Method of Apportionment of Special Tax*" herein.

Geologic, Topographic and Climatic Conditions

The market value of the property within the Community Facilities District can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements of the parcels and the continued habitability and enjoyment of such public and private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements) and climatic conditions (such as droughts, fire hazard and floods).

Building codes require that some of these factors be taken into account in the design of private improvements of the parcels, and the City has adopted the Uniform Building Code standards with regard to seismic standards. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of establishment between the present costs of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Consequently, neither the absence of nor the establishment of design criteria with respect to any particular condition means that the applicable governmental agency has evaluated the condition and has established design criteria in the situations in which such criteria are needed to preserve value, or has established such criteria at levels that will preserve value. To the contrary, the Community Facilities District expects that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the actual value of the parcels may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the property within the Community Facilities District, as set forth in the various tables herein, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The Community Facilities District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the Community Facilities District has such a current liability with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the Community Facilities District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

Payment of the Special Tax is not a Personal Obligation of the Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the Community Facilities District has no recourse against the owner.

Parity Taxes and Special Assessments

Property within the Community Facilities District is subject to taxes and assessments imposed by public agencies also having jurisdiction over the land within the Community Facilities District. See "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See "— Bankruptcy and Foreclosure" below.

Neither the Community Facilities District nor the City, however, have control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Community Facilities District. In addition, the landowners within the Community Facilities District may, without the consent or knowledge of the Community Facilities District, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for the property within the Community Facilities District described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value is sufficient may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel, was informed of the maximum tax rate and the risk of such a levy and the ability of such owner to pay the Special Tax as well

as pay other expenses and obligations. The City has caused a Notice of the Special Tax to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within the Community Facilities District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are customarily billed to the properties within the Community Facilities District on the *ad valorem* property tax bills sent to owners of such properties. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure," for a discussion of the provisions which apply, and procedures which the Community Facilities District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See "— Bankruptcy and Foreclosure" below, for a discussion of the policy of the Federal Deposit Insurance Corporation (the "FDIC") regarding the payment of special taxes and assessment and limitations on the Community Facilities District's ability to foreclose on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Properties

The ability of the Community Facilities District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the FDIC, or other federal government entities such as Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other federal agency, has or obtains an interest.

In the case of FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the Community Facilities District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The Community Facilities District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution "this Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding." In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels within the Community Facilities District becoming owned by the federal government, federal government entities or federal government sponsored entities, see "— Insufficiency of Special Taxes."

The Community Facilities District's remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) or by the laws of the State relating to judicial foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Secondly, the Bankruptcy Code might prevent moneys on deposit in the Special Tax Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner in the Community Facilities District and if the court found that any of such landowners had an interest in such moneys within the meaning of Section 541(a)(1) of the Bankruptcy Code.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount and priority of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in procuring Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax installments not being paid in full.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture and further subject to the prior lien of owners of Bonds, an owner is given the right for the equal benefit and protection of all owners of a series similarly situated to pursue certain remedies described in APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." See also "— Limitations on Remedies" herein.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the Community Facilities District has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See "INTRODUCTION — Continuing Disclosure" and APPENDIX E — "FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE DISTRICT." Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure entitled the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996, general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative have not yet been interpreted by the courts, although a number of lawsuits have been filed requesting the courts to interpret various aspects of the Initiative. The initiative could potentially impact the Special Taxes otherwise available to the Community Facilities District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIIC states that "…the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

> Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the Community Facilities District or the City acting as the legislative body of the Community Facilities District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the Community Facilities District has covenanted that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels of Developed Property within the Community Facilities District to less than an amount projected to equal to 110% of annual debt service each year on the Outstanding Bonds plus the Administrative Expense Cap. In connection with the foregoing covenant, the Community Facilities District has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The Community Facilities District also has covenanted that, in the event an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of the Initiative will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "— Limitations on Remedies."

Ballot Initiatives and Legislative Measures

Articles XIIIA, XIIIB, XIIIC and XIIID were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of Rossi v. Brown, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or

to increase appropriations or on the ability of the landowners within the Community Facilities District to complete the remaining proposed development.

Loss of Tax Exemption

As discussed under the caption "TAX EXEMPTION," the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Community Facilities District or the City in violation of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Community Facilities District has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture. See "THE BONDS — Selection of Bonds for Redemption."

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is possible that subsequent to the issuance of the Bonds there might be federal, State, or local statutory changes (or judicial or regulatory interpretations of federal, State, or local law) that affect the federal, State, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur. On May 21, 2007, the U.S. Supreme Court agreed to review a Kentucky state court decision, in the matter of Kentucky v. Davis, on the issue of whether the U.S. Constitution commerce clause precludes states from giving more favorable tax treatment to state and local government bonds issued within that state than the tax treatment given bonds issued outside that state. The outcome of this or any similar case cannot be predicted, but the ultimate result could be a change in the treatment for state tax purposes of interest on the Bonds. If the Kentucky v. Davis decision is affirmed by the United States Supreme Court, states such as California may be required to eliminate the disparity between the income tax treatment of out-of-state tax-exempt obligations and the income tax treatment of in-state tax-exempt obligations, such as the Bonds. The impact of such a United States Supreme Court decision may also affect the market price for, or the marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding this matter. See "TAX EXEMPTION" below.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). For example, the City issued bonds in late 2006 to finance certain water system improvements (the "2006 Bonds"). The IRS is conducting an inquiry into the tax status of the 2006, Bonds. The IRS has alleged the 2006 Bonds were "hedge bonds," in violation of the rules for tax-exempt bond issuances, because the City had not spent all of the 2006 Bond proceeds in a timely manner. The City disputes these allegations. To the City's knowledge, no other bonds of the City, including the Community Facilities District and the Refunded Bonds, are the subject of an IRS audit.

Limitations on Remedies

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or others similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the "Disclosure Agreement") with Goodwin Consulting Group, Inc., as disclosure dissemination agent, the Community Facilities District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found on the Internet at *www.emma.msrb.org*, on an annual basis certain financial information and operating data concerning the Community Facilities District. The Community Facilities District has further agreed to provide notice to EMMA of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission. See APPENDIX E hereto for a description of the specific nature of the annual reports to be filed by the Community Facilities District and notices of listed events to be provided by the Community Facilities District. In connection with certain obligations of the City other than those of the Community Facilities District, the City failed to file required notices of rating downgrades with respect to certain insured obligations and failed to timely file its 2009 and 2010 audited financial statements with respect to certain obligations. Additionally, in connection with the City's 2006 wastewater revenue bonds, the City failed to file a required notice of a ratings increase. As of the date of this Official Statement, all corrective filings have been made. Other than as disclosed in this Official Statement, within the last five years, neither the City nor the Community Facilities District has failed to timely comply with their prior continuing disclosure obligations under Rule 15c2-12(b)(5) in all material respects. The full text of the form of Disclosure Agreement is set forth in APPENDIX E.

TAX EXEMPTION

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a

Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of the Bonds is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds (including any original issue discount) is based upon certain representations of fact and certifications made by the Community Facilities District, the Underwriters and others and is subject to the condition that the Community Facilities District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds (including any original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Community Facilities District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF

THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Although Bond Counsel has rendered an opinion that interest on the Bonds (including any original issue discount) is excluded from gross income for federal income tax purposes provided that the Community Facilities District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds (including any original issue discount) may otherwise affect the tax liability of the recipient. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

The proposed form of Bond Counsel's opinion with respect to the Bonds is attached as APPENDIX B.

LEGAL OPINION

The legal opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, approving the validity of the Bonds in substantially the form set forth as APPENDIX B hereto, will be made available to purchasers at the time of original delivery. Certain legal matters will be passed upon for the City and the Community Facilities District by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds and a certificate of the Community Facilities District to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. Neither the City nor the Community Facilities District is aware of any litigation pending or threatened which questions the existence of the Community Facilities District or the City or contests the authority of the Community Facilities District to levy and collect the Special Taxes or to issue and retire the Bonds.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") is expected to assign its municipal bond rating of "AA" to all or such portion of the Bonds to the extent insured by the Policy based on upon the expected delivery of the Policy by AGM at the time of issuance of the Bonds (see "BOND INSURANCE" herein). The Community Facilities District expects Standard & Poor's to assign the Bonds the rating of "BBB-" notwithstanding the delivery of the Policy. Such ratings reflect only the views of Standard & Poor's and an explanation of the significance of such ratings may be obtained from Standard & Poor's. There is no assurance that such ratings will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by such organization, if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed, pursuant to a purchase contract by and between the Community Facilities District and the Underwriter (the "Purchase Contract"), to purchase all of the Bonds for a purchase price of $_____ (which is equal to the principal amount thereof less net original issue discount of $_____, less Underwriter's discount of $_____).

The Purchase Contract related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth therein, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, Nossaman LLP, as counsel to the Underwriter, the Trustee and the Escrow Bank are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

NEW LEGISLATION

The Community Facilities District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representatives of fact.

The distribution of this Official Statement has been authorized by the Community Facilities District.

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: _____
Its: City Manager

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APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place)

are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Trust Indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final

Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or "Net Taxable Acre" means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that

fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels. "Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

**** All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.***

1. <u>Original Parcels</u>

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of approval of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. <u>Successor Parcels</u>

a. All Successor Parcels are Single Family Detached Lots

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map

includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. No Successor Parcels are Single Family Detached Lots

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class

so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per- Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. Some, But Not All, Successor Parcels are Single Family Detached Lots

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not

available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond

interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (*the "**Defeasance Requirement**"*).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "**Administrative Fees and Expenses**"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the "**Prepayment Amount**"*).

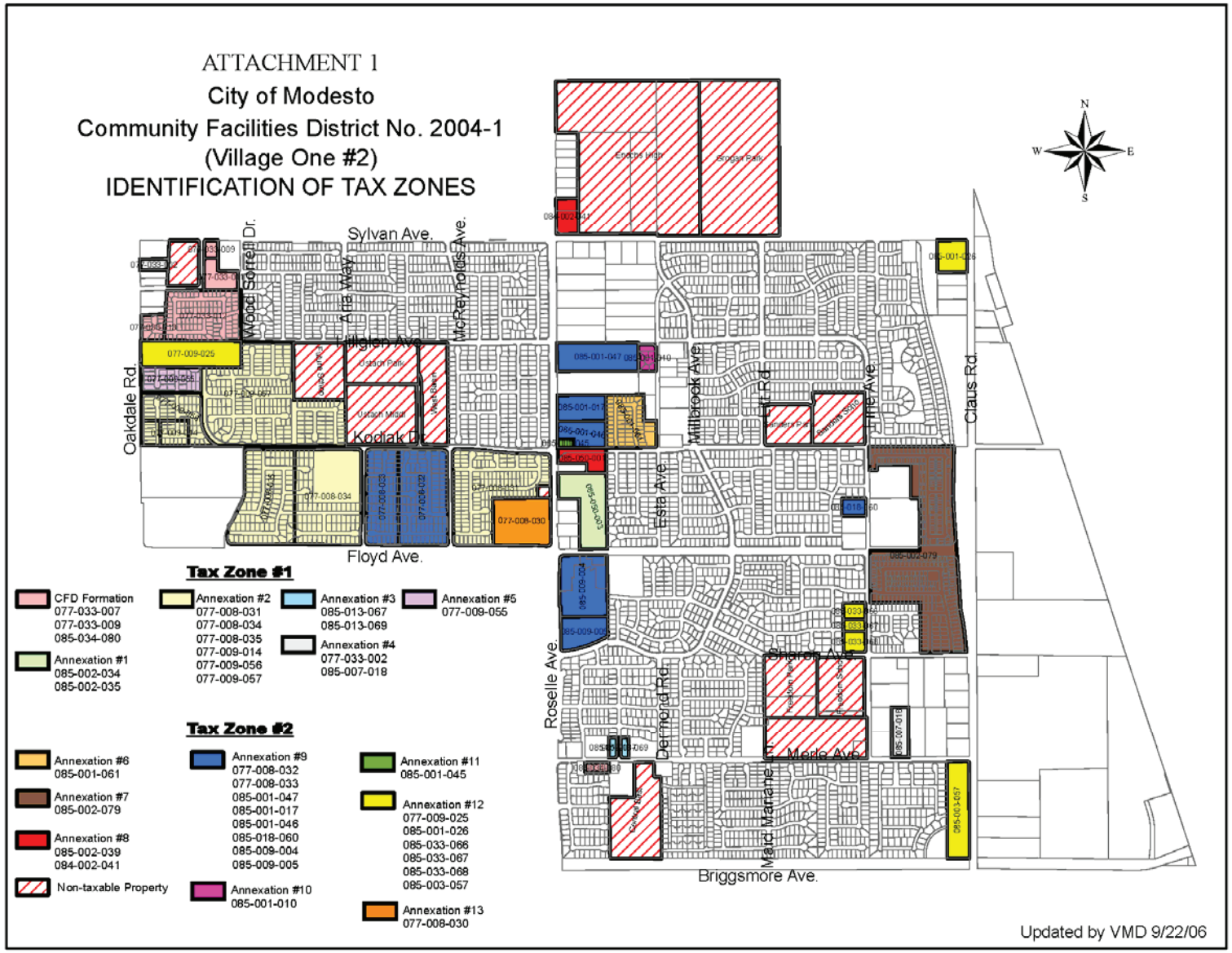
If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)
IDENTIFICATION OF TAX ZONES



ATTACHMENT 2
City of Modesto
Facilities District No. 2004-1
(Village One #2)
Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential Commercial	16.23 3.24	$491,461 $168,810	$103,953 $11,567	$20,012 $2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,013	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential Multi Family	14.82 10.60	$448,765 $1,075,233	$94,923 $76,554	$18,274 $42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,291
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139
6	2	085-001-061	Village Residential	8.41	$373,648	$53,866	$10,370
7	2	085-002-079	Village Residential	38.35	$2,686,145	$250,948	$71,398
8	2	085-050-001	Village Residential	3.47	$154,169	$22,225	$4,279
8	2	084-002-041	Commercial	2.86	$218,914	$10,223	$2,635
9	2	077-008-032	Village Residential	31.59	$1,403,512	$202,334	$38,950
9	2	077-008-033	Village Residential				
9	2	085-001-047	Village Residential	8.37	$371,871	$53,610	$10,320
9	2	085-001-017	Village Residential	4.61	$204,818	$29,527	$5,684
9	2	085-001-046	Village Residential	4.06	$180,382	$26,004	$5,006
9	2	085-018-060	Village Residential	1.52	$67,532	$9,736	$1,874
9	2	085-009-004	Commercial	11.03	$843,199	$39,377	$10,148
9	2	085-009-005	Multi Family	5	$507,185	$36,110	$20,100
10	2	085-001-010	Village Residential	1.84	$81,749	$11,785	$2,269
11	2	085-001-045	Village Residential	0.49	$21,770	$3,138	$604
12	2	077-009-025	Village Residential	9.63	$427,851	$61,680	$11,874
12	2	085-001-026	Commercial	3.48	$266,032	$12,424	$3,202
12	2	085-033-066	Village Residential	1.35	$59,979	$8,647	$1,665
12	2	085-033-067	Village Residential	0.97	$43,096	$6,213	$1,196
12	2	085-033-068	Village Residential	1.72	$76,418	$11,017	$2,121
12	2	085-003-057	Village Residential	3.33	$147,949	$21,329	$4,106
13	2	077-008-030	Multi Family	10.04	$1,494,273	$72,509	$40,361
14	2	085-050-06, 07, 08	Multi Family	1.66	$247,061	$11,974	$6,665

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.
2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.
3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council of the City of Modesto
Modesto, California

Re: *$_____ City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Modesto taken in connection with the formation of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and the authorization and issuance of the District's 2014 Special Tax Refunding Bonds in the aggregate principal amount of $_____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. 2014-272 (the "Resolution of Issuance"), adopted by the City Council (the "City Council") of the City of Modesto (the "City") on July 1, 2014, and by a Trust Indenture dated as of July 1, 2014 (the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee. All capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated the date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each September 1 and March 1, commencing on March 1, 2015, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture redeemable in the amounts, at the times and in the manner provided for in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the City Council on behalf of the District. The Indenture creates a valid pledge of, and the Bonds are secured by the Net Special Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) will be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals or corporations (as described in paragraph (3) above) and is exempt from State of California personal income tax.

(6) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in

such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

Respectfully submitted,

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APPENDIX C

GENERAL INFORMATION CONCERNING THE REGION

Information in this Appendix has been assembled from various sources believed to be reliable; however, the District does not warrant the accuracy or thoroughness of this information.

General

Stanislaus County (the "County") is located approximately 90 miles east of San Francisco and 75 miles south of Sacramento. The County is bordered by San Joaquin County on the north, Calaveras and Tuolumne counties on the east, Merced County on the south, and Santa Clara County on the west. The County is located in the Central Valley of California, one of the fastest-growing areas in the State.

Agriculture and agricultural-related industries, such as food processing, are the major industries in the County. The County also has large and growing services, retail trade and manufacturing employment sectors.

U.S. Interstate Highway 5 and State Highway 99 provide the County with access to the rest of California and the western United States. The County is served by long and short-haul trucking firms, as well as by trains and buses. Major rail lines of the Union Pacific and Santa Fe railroad systems serve the County, including daily scheduled Amtrak service. International shipping facilities are available in Stockton, 26 miles north of Modesto.

Population

The following table shows the historical population estimates in the City and the County between 2002 and 2014.

POPULATION ESTIMATES
City of Modesto, Stanislaus County and the State of California
2002-2014

Year[1]	*City of Modesto Population*	*Stanislaus County Population*	*State of California Population*
2002	197,280	468,340	34,725,516
2003	200,748	478,283	35,163,609
2004	202,903	486,639	35,570,847
2005	201,980	494,144	35,869,173
2006	200,872	500,780	36,116,202
2007	200,866	505,959	36,399,676
2008	200,941	509,389	36,704,375
2009	201,331	511,226	36,966,713
2010	201,911	514,003	37,253,956
2011	201,713	516,244	37,427,946
2012	203,085	519,940	37,678,563
2013	205,562	523,038	37,984,138
2014	206,785	526,042	38,340,074

(1) January 1 data.
Source: California State Department of Finance, Demographic Research Unit. March 2010 Benchmark.

Income

The following tables show the personal income and per capita personal income for the County, State of California and United States from 2006-2012.

PERSONAL INCOME
County of Stanislaus, State of California, and United States
2006-2012

Year	*County of Stanislaus*	*California*	*United States*
2006	15,050,420	1,449,451,517	11,376,460,000
2007	15,801,138	1,564,440,661	11,990,244,000
2008	15,857,505	1,596,281,897	12,429,284,000
2009	15,697,151	1,536,429,610	12,073,738,000
2010	16,232,916	1,579,148,473	12,423,332,000
2011	17,095,084	1,683,203,700	13,179,561,000
2012	17,810,902	1,768,039,281	13,729,063,000

Note: Dollars in Thousands.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PER CAPITA PERSONAL INCOME[1]
County of Stanislaus, State of California, and United States
2006-2012

Year	*County of Stanislaus*	*California*	*United States*
2006	29,823	41,627	38,127
2007	31,115	43,157	39,804
2008	31,152	43,609	40,873
2009	30,686	41,569	39,357
2010	31,500	42,297	40,163
2011	33,005	44,666	42,298
2012	34,138	46,477	43,735

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
(2) Data is not yet available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The City is included in Modesto Metropolitan Statistical Area. The distribution of employment in the Modesto area is presented in the following table for the calendar years 2009 through 2013. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the City.

INDUSTRY EMPLOYMENT & LABOR FORCE
Modesto Metropolitan Division
2009-2013[1]

Category	*2009*	*2010*	*2011*	*2012*	*2013*
Total Farm	12,900	12,900	12,900	13,300	14,000
Total Nonfarm	146,800	146,300	147,300	148,700	156,500
Total Private	121,000	120,100	121,900	123,300	131,000
Goods Producing	27,500	26,600	26,600	27,000	27,600
Mining, Logging and Construction	6,600	5,900	5,900	6,300	6,900
Manufacturing	20,900	20,700	20,800	20,800	20,600
Durable Goods	6,200	5,900	5,900	6,000	6,200
Nondurable Goods	14,600	14,800	14,900	14,800	14,500
Service Providing	119,300	119,800	120,600	121,700	128,900
Private Service Producing	93,500	93,500	95,200	96,300	103,400
Trade, Transportation and Utilities	31,400	31,600	33,000	33,400	34,800
Wholesale Trade	6,100	5,900	5,800	5,800	5,900
Retail Trade	19,500	19,500	20,500	20,700	21,700
Transportation, Warehousing and Utilities	5,700	6,200	6,700	6,800	7,200
Information	1,300	1,200	1,100	1,000	900
Financial Activities	5,600	5,500	5,400	5,400	5,400
Professional and Business Services	13,200	12,500	12,400	12,800	13,200
Educational and Health Services	22,200	23,200	23,800	24,000	28,300
Leisure and Hospitality	14,700	14,600	14,700	14,900	15,700
Other Services	5,200	5,100	4,800	4,900	5,000
Government	25,800	26,200	25,400	25,400	25,500
Total, All Industries	159,700	159,200	160,200	162,000	170,400

[1] Annual averages, unless otherwise specified

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2013 Benchmark.

The following table summarizes civilian labor force, employment, and unemployment in the County from 2008 to 2013.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Stanislaus County
2008-2013

Year and Area	*Labor Force*	*Employment*[1]	*Unemployment*[2]	*Unemployment Rate (%)*[2]
2008				
City of Modesto	100,300	90,900	9,500	9.5%
Stanislaus County	232,000	206,500	25,500	11.0
State of California	18,207,300	16,893,900	1,313,500	7.2
2009				
City of Modesto	100,800	87,000	13,800	13.7%
Stanislaus County	234,900	197,700	37,200	15.8
State of California	18,220,100	16,155,000	2,065,100	11.3
2010				
City of Modesto	103,100	87,700	15,400	15.0%
Stanislaus County	240,900	199,300	41,500	17.2
State of California	18,336,300	16,068,400	2,267,900	12.4
2011				
City of Modesto	102,800	87,900	14,900	14.5%
Stanislaus County	239,800	199,700	40,000	16.7
State of California	18,417,900	16,249,600	2,168,300	11.8
2012				
City of Modesto	103,000	89,600	13,400	13.0%
Stanislaus County	239,700	203,600	36,200	15.1
State of California	18,519,900	16,589,700	1,929,300	10.4
2013				
City of Modesto	102,700	91,200	11,500	11.2%
Stanislaus County	238,200	207,300	31,000	13.0
State of California	18,596,800	16,933,300	1,663,500	8.9

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
(1) Includes persons involved in labor-management trade disputes.
(2) Includes all persons without jobs who are actively seeking work.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2010 Benchmark.

Largest Employers

The table below lists the largest employers in the County as of June 30, 2013.

LARGEST EMPLOYERS
Stanislaus County
2013

Employer	*Type of Business*	*Employment*
Stanislaus County	County government	3,890
E&J Gallo Winery	Wines	3,181
Modesto City Schools	Education	3,002
Memorial Medical Center	Health care	2,959
Seneca Foods	Food products	2,200
Doctors Medical Center	Health care	2,085
Stanislaus Food Products	Food Products	1,922
Kaiser Permanente	Health care	1,759
Del Monte Foods	Fruit products	1,700

Source: County of Stanislaus Comprehensive Annual Financial Report for the year ending June 30, 2013

The table below lists the largest employers in the City as of June 30, 2013.

LARGEST EMPLOYERS
City of Modesto
2013

Employer	*Type of Business*	*Employment*
E&J Gallo Winery	Wines	3,181
Modesto City Schools	Education	3,002
Memorial Medical Center	Health Care	2,959
Seneca	Fruit Products	2,200
Doctors Medical Center	Health Care	1,962
Stanislaus Food Products	Food Products	1,922
Kaiser Permanente	Health Care	1,759
Del Monte Foods	Food Products	1,700
City of Modesto	Government	1,325
Modesto Junior College	Education	1,322

Source: City of Modesto Comprehensive Annual Financial Report for the year ending June 30, 2013.

Commercial Activity

The County is the principal commercial center for a large region extending into San Joaquin County to the north, Merced County to the south, and Tuolumne County and other Sierra foothill communities to the east.

The tables below are a historical summary of taxable transactions in Stanislaus County and the City from 2005 to 2012.

TAXABLE SALES
Stanislaus County
2005-2012
(Dollars in Thousands)

	Retail Permits	*Retail Stores Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2005	5,420	5,143,024	11,127	7,285,900
2006	5,373	5,268,389	10,903	7,352,532
2007	5,335	5,092,753	10,887	7,135,883
2008	5,636	4,585,837	10,928	6,728,692
2009	6,364	3,925,638	9,644	5,847,057
2010	6,612	4,112,697	9,881	6,098,614
2011	6,521	4,394,011	9,717	6,662,466
2012	6,649	4,709,642	9,761	7,178,273

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

TAXABLE SALES
City of Modesto
2005-2012
(Dollars in Thousands)

	Retail Permits	*Retail Stores Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2005	2,390	2,347,430	4,440	2,748,009
2006	2,342	2,282,910	4,347	2,678,425
2007	2,337	2,150,803	4,360	2,565,624
2008	2,426	1,935,011	4,333	2,411,879
2009	2,544	1,711,777	3,758	2,259,771
2010	2,639	1,742,796	3,817	2,356,698
2011	2,594	1,848,808	3,725	2,535,072
2012	2,624	1,445,932	3,716	2,614,619

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The following tables summarize building permits and construction valuation in the County and in the City from 2007 to 2011.

BUILDING PERMITS AND VALUATIONS
Stanislaus County
2007-2011

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Valuation ($000)							
Residential	$791,439	$929,475	$521,231	$343,247	$117,431	$94,420	$95,116
Non-Residential	291,922	335,783	349,715	304,736	235,855	186,408	138,233
Total	$1,083,361	$1,265,258	$870,946	$647,983	$353,286	$280,828	$233,349
Dwelling Units							
Single Family	4,106	4,489	2,276	1,202	468	167	292
Multiple Family	497	234	134	555	19	116	42
Total	4,603	4,723	2,410	1,757	487	283	334

Note: Columns may not add to totals because of independent rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
City of Modesto
2007-2011

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Valuation ($000)							
Residential	$105,903	$ 41,914	$ 98,663	$ 98,755	$31,074	$27,686	$13,865
Non-Residential	124,455	115,427	86,922	101,993	54,238	31,140	43,908
Total	$230,358	$301,003	$185,585	$200,748	$85,312	$58,826	$57,773
Dwelling Units							
Single Family	344	868	386	285	113	8	15
Multiple Family	295	20	15	290	0	10	30
Total	639	888	401	575	113	18	45

Note: Columns may not add to totals because of independent rounding.
Source: Construction Industry Research Board.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain definitions and provisions of the Indenture which are not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

DEFINITIONS

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

"Administration Fund" means that certain fund by that name established pursuant to the Indenture.

"Administrative Expenses Cap" means $45,000 per Fiscal Year escalating two percent (2%) each Fiscal Year beginning in Fiscal Year 2014-15; provided that the District may, in its sole discretion, fund Administrative Expenses, without limitation, from any other funds available to the District, including the Surplus Fund.

"Administrative Expenses" means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys' fees and other costs related thereto, the fees and expenses of the Trustee and any Special Tax Consultant to the District, any costs related to the District's compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by the City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District under the Indenture.

"Alternative Penalty Account" means the account by that name created and established in the Rebate Fund pursuant to the Indenture.

"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 investments, if and to the extent the same are at the time legal for investment of the District's funds (the Trustee is entitled to rely upon investment direction from the District as a certification such investment is an Authorized Investment):

(a) Federal Securities;

(b) Senior debt obligations, participations, or other instruments issued by a federal agency or United States government-sponsored enterprise, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises (stripped securities are only permitted if they have been stripped by the agency itself);

(c) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933 and having a rating of AAA or better by a Nationally Recognized Statistical Rating Organization (NRSRO);

(d) Certificates of deposit secured at all times by collateral described in (a) and (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings

banks. The collateral must be held by a third party or the Trustee and the Trustee on behalf of the Bond Owners must have a perfected first security interest in the collateral;

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase that is rated at least A-1 or its equivalent by a NRSRO and maturing no more than 360 days after the date of purchase (i.e., ratings on holding companies are not considered as the rating of the bank);

(g) Commercial Paper rated, at the time of purchase, at least A-1 or its equivalent by a NRSRO and maturing no more than 270 days after the date of purchase;

(h) Repurchase agreements with financial institutions insured by the FDIC; or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or a bank or other financial institution rated in the top two rating categories by one or more Rating Agencies; provided that: (i) the over-collateralization is at one hundred two percent (102%), computed weekly, consisting of such securities as described in this section, items (a) through (c); (ii) a third party custodian, the Trustee or the Federal Reserve Bank shall have possession of such obligations; (iii) the Trustee shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(i) County or State-administered pooled investment funds in which the District is statutorily permitted or required to invest to the extent that any amounts are deposited by the Trustee into such funds and the Trustee shall have direct access to such fund;

(j) California Asset Management Program (CAMP).

"Bond Counsel" means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"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.

"Bond Year" means the twelve (12) month period commencing on September 2 of each year and ending on September 1 of the following year, and for the first Bond Year commencing on the Delivery Date and ending on September 1, 2014.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond is registered.

"Bonds" means the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds issued in the original principal amount of $_____.

"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 Officer" means a written certificate executed by one of the Mayor, City Manager and Director of Finance of the City, or their written designees.

"City" means the City of Modesto, California.

"City Council" means the City Council of the City.

"Code" means the Internal Revenue Code of 1986, together with any amendments thereto.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement, dated July 1, 2014, by and between the District and Goodwin Consulting Group, Inc., as dissemination agent thereunder.

"Corporate Trust Office" means the Corporate Trust Office of the Trustee at 400 South Hope Street, Suite 400, Los Angeles, California 90071, Attention: Corporate Trust, or such other office designated by the Trustee from time to time.

"Costs of Issuance" means the costs and expenses incurred in connection with the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and the preliminary and final Official Statements, financial consultants, special tax consultants and other fees and expenses set forth in a Certificate of an Authorized Officer.

"County" means the County of Stanislaus, California.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"Delivery Date" means the date on which the Bonds were issued and delivered to the initial purchasers thereof.

"Depository" means the securities depository acting as Depository under the Indenture.

"Dissemination Agent" means Goodwin Consulting Group, Inc., and any successor thereto.

"District" means City of Modesto Community Facilities District No. 2004-1 (Village One #2) established pursuant to the Act and the Resolution of Formation.

"EMMA" means the Electronic Municipal Market Access System, a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org).

"Escrow Agreement" means the Escrow Agreement, by and between The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and the District, dated as of July 1, 2014.

"Escrow Bank" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Fund" means the Escrow Fund established under the Escrow Agreement.

"Extraordinary Administrative Expenses" means Administrative Expenses required for extraordinary District events such as foreclosure actions against delinquent taxpayers within the District required to be prosecuted on an expedited basis pursuant to the Indenture, the approval and implementation of actions requiring Bondowner consent under the Indenture, or actual or threatened Bondowner or property owner litigation arising out of the Bonds or the District.

"Federal Securities" means any of the following:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation ("FDIC") or otherwise collateralized with obligations described in paragraph (2) below),

(2) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, or

(3) Obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next following June 30.

"Gross Taxes" means the amount of all Special Taxes received by the District from the Treasurer, together with the net proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, penalties and interest received by the District in connection with the delinquency of such Special Taxes and proceeds from any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys' fees payable from such proceeds to the extent not previously paid as an Administrative Expense.

"Indenture" means the Bond Indenture, together with any Supplemental Indenture approved pursuant to the Indenture.

"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 District or the City, who, or each of whom:

(a) is in fact independent and not under the domination of the District or the City;

(b) does not have any substantial interest, direct or indirect, in the District or the City; and

(c) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to make annual or other reports to the District or the City.

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2015; 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 succeeding such date.

"Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds by adding the following for each Bond Year:

(1) the principal amount of all Outstanding Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and

(2) the interest payable on the aggregate principal amount of the Bonds Outstanding in such Bond Year if the Bonds are retired as scheduled.

"Net Special Taxes" means Gross Taxes minus amounts, not in excess of the Administrative Expenses Cap, set aside to pay Administrative Expenses.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

"Ordinance" means Ordinance No. 3345-C.S. adopted by the City Council, acting as the legislative body of the District on April 6, 2004 providing for the levying of the Special Tax.

"Outstanding" or "Outstanding Bonds" means all Bonds theretofore issued by the District, except:

(1) Bonds theretofore cancelled or surrendered for cancellation in accordance with the Indenture;

(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 the Indenture; and

(3) Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to the Indenture or for which a replacement has been issued pursuant to the Indenture.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds the Bonds as a securities depository.

"Rating Agency" means Moody's Rating Service and Standard & Poor's or both, as the context requires.

"Rate and Method of Apportionment" means that certain Rate and Method of Apportionment of Special Tax approved pursuant to the Resolution of Formation as it may be amended from time to time in accordance with the Act and the Indenture.

"Rebatable Arbitrage" means the amount (determinable as of the last day of each fifth Bond Year and upon retirement of the Bonds) of arbitrage profits payable to the United States at all times and in the amounts specified in Section 148(f) of the Code and any applicable Regulations.

"Rebate Regulations" means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

"Record Date" means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

"Regulations" means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

"Representation Letter" shall mean the Blanket Letter of Representations from the District to the Depository as described in the Indenture.

"Reserve Requirement" means that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds, if any, (ii) Maximum Annual Debt Service on the then Outstanding Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds.

"Resolution of Formation" means, Resolution No. 2004-199 adopted by the City Council on April 6, 2004, pursuant to which the City formed the District.

"Resolution of Issuance" means Resolution No. 2014-272 duly adopted by the City Council, acting in its capacity as the legislative body of the District on July 1, 2014, approving the Indenture, and any supplemental bond indenture approved pursuant to the Indenture.

"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 schedules set forth in the Indenture.

"Special Tax Prepayments" means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method of Apportionment.

"Special Taxes" means the Annual Facilities Special Tax (as defined in the Rate and Method of Apportionment) authorized to be levied by the District in accordance with the Ordinance, the Resolution of Formation, the Act and the Rate and Method of Apportionment.

"Special Tax Fund" means the fund by that name established pursuant to the Indenture.

"Supplemental Indenture" means any supplemental indenture amending or supplementing the Indenture.

"Surplus Fund" means the fund by that name established pursuant to the Indenture.

"Tax Certificate" means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

"Taxable Property" means the area within the boundaries of the District which is not exempt from application of the Special Tax by operation of law or the Rate and Method of Apportionment.

"Treasurer" means the Treasurer-Tax Collector of the County of Stanislaus.

"Term Bonds" means the Bonds maturing on September 1, 20__.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and any successor thereto.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated.

BOND TERMS

Type and Nature of Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District 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 or special obligations of the City or general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described in the Indenture. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds 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 Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums 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 District's property, or upon any of its income, receipts or revenues, except the Net Special Taxes and other amounts in the Special Tax Fund which are, under the terms of the Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District or 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 the Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Special Taxes for the payment of the interest on or the principal of the Bonds or for the performance of any covenants contained in the

Indenture. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Equality of Bonds and Pledge of Net Special Taxes. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Taxes and any other amounts held in the Special Tax Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Pursuant to the Act and the Indenture, the Bonds shall be equally payable from the Net Special Taxes and other amounts in the Special Tax 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 and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. 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 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 the Indenture or any Supplemental Indenture. Notwithstanding any provision contained in the Indenture to the contrary, Net Special Taxes deposited in the Rebate Fund or the Surplus Fund shall no longer be considered to be pledged to the Bonds, and none of the Rebate Fund, the Costs of Issuance Fund, the Surplus Fund or the Administration Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in the Indenture or any Supplemental Indenture shall preclude, subject to the limitations contained under the Indenture, 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.

Bond Register. The Trustee will keep or cause to be kept, at the Corporate Trust Office, sufficient books for the registration and transfer of the Bonds which shall be open to inspection by the District during all regular business hours upon reasonable prior notice, and, 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 provided in the Indenture.

The District 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 District and the Trustee shall not be affected by any notice to the contrary. The District 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.

Registration of Exchange or Transfer. Subject to the limitations of 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 Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. 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 District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, as applicable, 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.

Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond shall become mutilated, the District, at the expense of the Bondowner, 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 the Indenture. 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 District, at the expense of the Bondowner, shall execute and the Trustee shall authenticate and deliver, a new Bond 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 of the Indenture with all other Bonds issued under the Indenture. 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 under the Indenture or for the purpose of determining any percentage of Bonds Outstanding under the Indenture, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of the Indenture, 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 upon receipt of indemnification satisfactory to the Trustee.

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 District 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.

CREATION OF FUNDS AND APPLICATION OF PROCEEDS AND NET TAXES

Creation of Funds. There is created and established and to be maintained by the Trustee under the Indenture the following funds and accounts:

(1) The Community Facilities District No. 2004-1 Special Tax Fund (the "Special Tax Fund") in which there is established and created, a Debt Service Account, a Redemption Account and a Reserve Account;

(2) The Community Facilities District No. 2004-1 Rebate Fund (the "Rebate Fund") in which there is established a Rebate Account and an Alternative Penalty Account; and

(3) The Community Facilities District No. 2004-1 Costs of Issuance Fund (the "Costs of Issuance Fund")

The amounts on deposit in the foregoing funds and accounts shall be held by the Trustee; and the Trustee shall invest and disburse the amounts in such funds and accounts in accordance with the provisions of the Indenture and shall disburse investment earnings thereon in accordance with the provisions of the Indenture.

Deposits to and Disbursements from Special Tax Fund. The Director of Finance shall, no later than the last day of each month during which the Special Taxes are received by the District, transfer the Special Taxes net of Special Tax Prepayments (which amounts shall immediately be transferred by the Director of Finance to the Trustee for deposit into the Redemption Account of the Special Tax Fund to be applied in accordance with the Indenture to the Trustee for deposit in the Special Tax Fund for the Bonds, to be held in trust by the Trustee in the Special Tax Fund. The Trustee will then transfer the money on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(1) The Director of Finance for deposit in the Administration Fund, the amount of Administrative Expenses levied for in the current Fiscal Year up to the Administrative Express Cap (plus Extraordinary Administrative Expenses in the event there are Extraordinary Administrative Expenses); provided that no more than half of the amount of Administrative Expenses up to half of the Administrative Expense Cap (plus Extraordinary Administrative Expenses in the event there are Extraordinary Administrative Expenses) levied for in the current Fiscal Year shall be deposited in the Administration Fund until the earlier of (i) the date moneys on deposit in the Debt Service Account of the Special Tax Fund are sufficient to pay debt service on the Bonds on March 1 of such Fiscal Year, or (ii) March 2 of such Fiscal Year

(2) The Debt Service Account of the Special Tax Fund;

(3) The Reserve Account of the Special Tax Fund;

(4) Administration Fund for Administrative Expenses not previously deposited to the Administration Fund pursuant to the Indenture;

(5) Rebate Fund; and

(6) Surplus Fund.

At the maturity of all Bonds and, after all principal and interest then due on the Bonds then Outstanding has been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Administration Fund. There is established as a separate fund to be held by the Director of Finance the Administration Fund. Moneys in the Administration Fund may be invested in any Authorized Investments, provided that the maturity or maturities thereof shall not exceed 30 days from the date of purchase. Moneys on deposit in the Administration Fund shall be withdrawn by the Director of Finance and paid to the City or its order upon receipt by the Director of Finance of a Certificate of Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of the Administrative Expense.

Debt Service Account of the Special Tax Fund. The principal or Sinking Fund Payment of, and interest on, the Bonds until maturity shall be paid by the Trustee from amounts transferred to the Debt Service Account of the Special Tax Fund. For the purpose of assuring that the payment of principal or Sinking Fund Payment of and interest on, the Bonds will be made when due, at least one Business Day prior to each Interest Payment Date, the Trustee shall make the following transfers to the Debt Service Account; provided, however, that to the extent that deposits have been made in the Debt Service Account from the proceeds of the sale of the Bonds, or otherwise, or to the extent that a transfer will be made from the Reserve Account to the Debt Service Account in accordance with the Indenture, the transfer from the Special Tax Fund need not be made: an amount such that the balance in the Debt Service Account one (1) Business Day prior to each Interest Payment Date shall be equal to the installments of interest, principal and Sinking Fund Payments due on the Bonds on said Interest Payment Date. Moneys in the Debt Service Account shall be used for the payment of the interest, principal and Sinking Fund Payments of the Bonds as the same become due.

Redemption Account of the Special Tax Fund.

(a) After making the deposit to the Debt Service Account of the Special Tax Fund above and in accordance with the District's election to call Bonds for optional redemption as set forth in the Indenture, 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 of and interest on the Bonds called for redemption, and the premiums payable as provided in the Indenture on the Bonds called for optional redemption one (1) Business Day prior to the redemption date; provided, however, that Net Special Taxes may be applied to optionally redeem Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(b) Special Tax Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to the Indenture for the use of such Special Tax Prepayments to the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed with such Special Tax Prepayments.

(c) 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 and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds; provided, however, in lieu or partially in lieu of such call and redemption, upon receipt by the Trustee of written direction of the District to purchase Bonds, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds in the manner provided in the Indenture. Purchases of Outstanding Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, or, in the case of purchases to be made from funds to be applied to a redemption pursuant to the Indenture, par plus accrued interest, plus premium, if any, in the case of moneys set aside for an optional redemption. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement.

Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that the moneys in the Debt Service Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to the Indenture upon written direction from the District; provided, however, amounts in the Reserve Account may be applied to pay the principal and interest due on any Bonds in the final Bond Year in which any Bonds are Outstanding. If the amounts in the Debt Service Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on the Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account for deposit in the Debt Service Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes. Following any transfer to the Debt Service Account of the Special Tax Fund or to the Rebate Fund as described above, the District shall then take the steps necessary to cause to be deposited to the Reserve Account the amount needed to replenish the Reserve Account to the Reserve Requirement by transferring such amount from Special Taxes held by the Treasurer or, if the District so elects, by including such amount in the next annual Special Tax levy to the extent of the permitted maximum Special Tax rates.

Notwithstanding anything in the Indenture to the contrary, whenever moneys are withdrawn from the Reserve Account, after making the required transfers pursuant to the Indenture, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund the amount needed to restore the amount of such account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make

the deposits required to be made to the Debt Service Account of the Special Tax Fund. In no event shall amounts in the Reserve Account be used to pay fees or expenses of the Trustee or its counsel.

In connection with a redemption of Bonds pursuant to the Indenture, or a defeasance of Bonds in accordance with the Indenture, amounts in the Reserve Account shall be applied to such redemption or defeasance so long as the amount on deposit in the Reserve Account following such redemption or any partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Officer the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

Notwithstanding any provision in the Indenture to the contrary, moneys in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account on the Business Day before each Interest Payment Date and transferred to the Debt Service Account to be applied to the interest on the Bonds on the next Interest Payment Date.

Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained under the Indenture designated as the Rebate Fund and shall establish a separate Rebate Account and Alternative Penalty Account tin the Indenture. The District shall cause to be deposited in the Rebate Fund such amounts as required under the Tax Certificate. All money at any time deposited in the Rebate Account or the Alternative Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by the Indenture and the Tax Certificate.

Without limiting the generality of the foregoing, the District agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final treasury regulations as may be applicable to the Bonds from time to time, which the District covenants to pay or cause to be paid to the United States at the times and in the amounts determined under the Tax Certificate. The Trustee agrees to comply with all instructions given to it by the District in accordance with this covenant. The Trustee shall conclusively be deemed to have complied with the provisions of the Indenture if it follows the instructions of the District and shall not be required to take any actions under the Indenture in the absence of instructions from the District.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds after payment in full of such issue and after making the payments required to comply with the Indenture and the Tax Certificate may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in the Indenture to the contrary, the obligation to comply with the requirements of the Indenture shall survive the defeasance and final payment of the Bonds.

(d) Amendment Without Consent of Owners. This section of the Indenture may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax exempt basis. Notwithstanding any provision of the Indenture, if the District shall provide to the Trustee an opinion of a nationally recognized bond or tax counsel that any specified action required under the Indenture is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds, the Trustee and the District may conclusively rely on such opinion in complying with

the requirements of this paragraph, and the covenants under the Indenture shall be deemed to be modified to that extent.

Costs of Issuance Fund.

(a) The moneys in the Costs of Issuance Fund shall be applied exclusively to pay the Costs of Issuance for the Bonds. Amounts for Costs of Issuance shall be disbursed from the Costs of Issuance Fund by the Trustee only upon receipt of a sequentially numbered written requisition, substantially in the form attached to the Indenture from the Director of Finance or such other person as is designated in writing to the Trustee by the legislative body of the District.

(b) Upon the receipt of a Certificate of an Authorized Officer that all or a specified portion of the amount remaining in the Costs of Issuance Fund is no longer needed to pay Costs of Issuance, respectively, the Trustee shall transfer all or such specified portion of the moneys remaining on deposit in such account to the Debt Service Account of the Special Tax Fund. Any moneys remaining in the Cost of Issuance Fund on December 1, 2014 shall be transferred to the Debt Service Account of the Special Tax Fund.

Surplus Fund. There is created and established under the Indenture the "Surplus Fund," to be held by the Director of Finance. After making the transfers required by the Indenture, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the District for deposit in the Surplus Fund. Moneys deposited in the Surplus Fund may be transferred by the District (i) to the Trustee for deposit in the Debt Service Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, (ii) to the Trustee for deposit in the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement, (iii) to the Administration Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administration Fund are insufficient to pay Administrative Expenses, or (iv) may be used by the District for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds, the District shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Authorized Investments at a Yield not in excess of the Yield on the Bonds, unless, in the opinion of Bond Counsel, investment at a higher Yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

Investments. Moneys held in any of the Funds and Accounts under the Indenture shall be invested by the Trustee at the written direction of the District 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 and Accounts. Any loss resulting from such Authorized Investments shall be charged to the Fund or Account from which such investment was made, and any investment earnings on a Fund or Account shall be applied as follows: (i) investment earnings on all amounts deposited in the Costs of Issuance Fund shall be deposited in that Fund, (ii) investment earnings on all amounts in the Rebate Fund shall be deposited in that Fund, (iii) investment earnings on all amounts deposited in the Reserve Account of the Special Tax Fund shall be used to satisfy the Reserve Requirement and any investment earnings not needed to satisfy the Reserve Requirement shall be withdrawn from the Reserve Account one (1) Business Day before each Interest Payment Date and transferred to the Debt Service Account as provided in the Indenture; and (iv) all other investment earnings shall be deposited in the Debt Service Account of the Special Tax Fund. Moneys in the Funds and Accounts held under the Indenture may be invested by the Trustee, upon the written direction of the District, from time to

time, in Authorized Investments which written direction shall be made in accordance with the following restrictions:

(a) Moneys in the Accounts within the Costs of Issuance Fund shall be invested in Authorized Investments which will by their terms mature, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Costs of Issuance Fund.

(b) Moneys in the Debt Service Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature or 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.

(c) One-half of the amount in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments which mature not later than six (6) months from their date of purchase by the Trustee, and one-half of such amount shall be invested in Authorized Investments which mature not more than two (2) years from the date of purchase by the Trustee; provided that such amounts may be invested in an investment or repurchase agreement so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with the Indenture; and provided that no such Authorized Investment of amounts in the Reserve Account allocable to the Bonds shall mature later than the respective final maturity date of the Bonds to which such amounts relate.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (a) of the definition in the Indenture which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to the Indenture.

The Trustee, at the direction of the District, shall sell, or present for redemption, any Authorized Investments so purchased 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, except that amounts in the Reserve Account shall be valued at the market value in the Indenture at least semiannually on or before each Interest Payment Date. In making any valuations under the Indenture, 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 in the Indenture to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of the Indenture.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such 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 the Indenture, 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 under the Indenture, but shall account for each separately. In the absence of written investment direction the Trustee shall invest solely in Authorized Investments set forth in (c) of the definition in the Indenture.

The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of security transactions to be effected by the Trustee under the Indenture as they occur. The District specifically waives the right to receive such confirmations to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which

include detail for the investment transactions effected by the Trustee under the Indenture; provided, however, that the District retains its right to receive brokerage confirmation on any investment transaction requested by the District.

COVENANTS AND WARRANTY

Warranty. The District shall preserve and protect the security pledged under the Indenture to the Bonds against all claims and demands of all persons.

Covenants. So long as any of the Bonds issued under the Indenture are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and the Indenture (to be performed by the District 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 District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

Punctual Payment; Against Encumbrances. The District covenants that it will receive all Gross Taxes in trust and will deposit the Gross Taxes with the Trustee, as provided in the Indenture, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by the Indenture. All such Gross Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District. Notwithstanding the provisions of this paragraph, as set forth in the Indenture, the District shall have the right to accept less than the minimum bid on any delinquent parcel, and is indemnified from legal claim for Owners of the Bonds, if the City Council determines that the acceptance of less than the minimum bid or another action as described in the Indenture is in the best interest of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued under the Indenture, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with the Indenture to the extent that Net Special Taxes are available therefor, and that the payments into the Funds and Accounts created under the Indenture will be made, all in strict conformity with the terms of the Bonds and the Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds issued under the Indenture.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Gross Taxes, except as provided in the Indenture, and (except as set forth in the Indenture) will not issue any obligation or security having a lien or charge upon the Net Special Taxes superior to or on a parity with the Bonds. Nothing in the Indenture shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Net Special Taxes to repay the Bonds.

Levy and Collection of Special Tax. Subject to the maximum Special Tax rates, the District will comply with all requirements of the Act so as to assure the timely collection of the Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or before each June 1, commencing June 1, 2015, the Trustee shall provide a written notice to the District stating the amounts then on deposit in the various Funds and Accounts established by the Indenture. The receipt of such notice by the District shall in no way affect the obligations of the District under the following paragraphs. Upon receipt of a copy of such notice, the District shall communicate with the Treasurer or other appropriate official of the County of Stanislaus to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The District shall retain an Independent Financial Consultant to assist in the levy of the Special Taxes each Fiscal Year, commencing Fiscal Year 2014-15, in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Treasurer of the County of Stanislaus will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, and approval by the legislative body of the District, the District shall prepare or cause to be prepared, and shall transmit to the Treasurer of the County of Stanislaus, such data as the Treasurer of the County of Stanislaus requires to include the levy of the Special Taxes on the next secured tax roll.

The District shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on Outstanding Bonds becoming due and payable during the ensuing year including any necessary replenishment or expenditure of the Reserve Account for the Bonds, an amount equal to the estimated Administrative Expenses and any additional amounts necessary for expenses incurred in connection with administration or enforcement of delinquent Special Taxes. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds are Outstanding, including the initiation of proceedings under the Act to reduce the Maximum Special Tax rates (the "Maximum Rates") on Taxable Property in the District below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Outstanding Bonds.

The Special Taxes shall be payable and 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 times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property; provided, the legislative body of the District may provide for direct collection of the Special Taxes in certain circumstances.

The fees and expenses of the Independent Financial Consultant retained by the District to assist in computing the levy of the Special Taxes under the Indenture and any reconciliation of amounts levied to amount received, as well as the costs and expenses of the District (including a charge for District staff time) in conducting its duties under the Indenture, shall be an Administrative Expense under the Indenture.

Commence Foreclosure Proceedings. Pursuant to Section 53356.1 of the Act, the District covenants in the Indenture with and for the benefit of the Bondowners that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than $5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question (ii) the balance on deposit in the Reserve Account of the Special Tax Fund is not less than the Reserve Requirement.

Special Taxes collected as a result of a foreclosure proceeding shall be deposited in the Special Tax Fund and only inure to the benefit of the Bonds in the manner provided in the Indenture.

Payment of Claims. The District 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 Special Taxes or any part in the Indenture, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds then Outstanding; provided however that nothing in the Indenture contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the improvements constructed with the proceeds of bonded indebtedness issued by the District, 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 Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

Federal Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax-exempt basis will not be adversely affected, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other monies or property which would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "private activity bonds" within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and will comply with the covenants and requirements stated tin the Indenture and incorporated by reference in the Indenture.

(7) Other Tax Exempt Issues. The District will not use proceeds of other tax exempt securities to redeem any Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax-exempt basis.

Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in the Indenture or to limit the power of the District to levy the Special Taxes for the purposes set forth in the Indenture, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

Limitation on Right to Tender Bonds. The District covenants that it will not adopt any policy pursuant to Section 53341.1 of the Act permitting the tender of Bonds in full payment or partial payment of any Special Tax unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds when due.

Continuing Disclosure Covenant. The District covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the District to comply with its obligations under the Continuing Disclosure Agreement shall not be considered an event of default under the Indenture, and the sole remedy, in the event of any failure of the District to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Opinions. In the event that an opinion is rendered by Bond Counsel as provided in the Indenture from a firm other than the firm which rendered the Bond Counsel opinion at closing, such subsequent opinion by Bond Counsel shall also include the conclusions set forth in numbered paragraphs 1, 2, 3 and 4 of the original Bond Counsel opinion.

AMENDMENTS TO INDENTURE

Supplemental Indentures or Orders Not Requiring Bondowner Consent. The District 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 in the Indenture which may be inconsistent with any other provision in the Indenture, or to make any other provision with respect to matters or questions arising under the Indenture or in any Supplemental Indenture, 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 District contained in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Indenture as theretofore in effect or which further secure Bond payments;

(c) to modify, amend or supplement the Indenture in such manner as to permit the qualification in the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect after the issuance of the Bonds, or to comply with the Code or regulations issued under the Indenture, 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;

(d) to modify, alter or amend the Rate and Method of Apportionment in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property (as defined in the Rate and Method of Apportionment) below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Bonds Outstanding as of the date of such amendment; or

(e) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondowners; provided that any amendment or supplement to the Indenture which will affect the Trustee's duties or protections set forth under the Indenture shall be effective only upon written consent of the Trustee.

Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures set forth in the Indenture, the Owners of not less than a majority of in aggregate principal amount of the Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such

Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that nothing in the Indenture 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, or redemption premium on, any Bond or the rate of interest thereon; (c) a preference or priority of any Bond over any other Bond; 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 District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of the Indenture shall require the consent of the Bondowners, the District 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 District, 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 in the Indenture 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 the Indenture. 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 in the Indenture by the District 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 District, 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 District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, 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 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 the Indenture, the Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as provided in the Indenture, the District may determine that the Bonds may bear a notation, by endorsement in form approved by the District, 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 District shall so determine, new Bonds so modified as, in the opinion of the District, 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.

TRUSTEE

Trustee. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Los Angeles, California, is appointed Trustee for the District for the purpose of receiving all money which the District is required to deposit with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture. In the event that the District fails to deposit with the Trustee any amount due under the Indenture when due, the Trustee shall provide telephonic notice to the District and shall confirm the amount of such shortfall in writing to the extent such amount is known to the Trustee.

The Trustee is authorized to and shall mail by first class mail, postage prepaid, or pay by wire transfer as provided in the Indenture, interest payments to the Bondowners, to select Bonds for redemption, and to maintain the Bond Register. The Trustee is authorized to pay the principal of and premium, if any, on the Bonds 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 the Indenture, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in the Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds paid, discharged and cancelled by it. The Trustee shall deliver to the District a monthly accounting of the Funds and Accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver such accounting for any Fund or Account that has a balance of zero. The Trustee may establish such Funds and Accounts as it deems necessary or appropriate to perform its obligations under the Indenture.

The Trustee is 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 in the Indenture in accordance with the provisions of the Indenture.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee 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 or counsel employed by it in the exercise and performance of its powers and duties under the Indenture, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties under the Indenture. The obligations of the District under the heading "—Trustee" shall survive the discharge of the Bonds and the resignation or removal of the Trustee.

Removal of Trustee. The District may at any time at its sole discretion 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 fifty million dollars ($50,000,000), 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 paragraph 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.

Resignation of Trustee. The Trustee may at any time resign by giving written notice to the District 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 District shall promptly appoint a successor Trustee 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. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this paragraph within thirty (30) days after the Trustee shall have given

to the District and the Owners written notice, the Trustee, at the expense of the District, or the District may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee, which successor shall be acceptable to the District.

Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained in the Indenture and in the Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Indenture or the Bonds, and shall incur no responsibility in respect in the Indenture, other than in connection with its duties or obligations specifically set forth in the Indenture, 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 under the Indenture, except for its own negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, 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 District, 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 under the Indenture 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 the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect in the Indenture be in the Indenture 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 District, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith in the Indenture, but in its discretion the Trustee may, in lieu in the Indenture, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

No provision of the Indenture or any other document related to the Indenture shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under the Indenture.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

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 in the Indenture to the contrary notwithstanding.

EVENTS OF DEFAULT; REMEDIES

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 District in the observance of any of the agreements, conditions or covenants on its part contained in the Indenture or the Bonds, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Trustee or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds.

Remedies of Owners. Following the occurrence of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District 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 the 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 District and its members, officers and employees to account as the trustee of an express trust.

Nothing in the Indenture or the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners in the Indenture at the respective dates of maturity, as in the Indenture provided, out of the Net Special Taxes pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture. The principal of the Bonds shall not be subject to acceleration under the Indenture.

A waiver of any default or breach of duty or contract by any Owner 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 by any Owner 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 Owners by the Act or by the Indenture may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

No remedy in the Indenture conferred upon or reserved 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 under the Indenture or now or existing after the issuance of the Bonds, 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.

In case the moneys held by the Trustee after an Event of Default pursuant to the Indenture shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then all available amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

DEFEASANCE

Defeasance. If the District 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 in the Indenture, at the times and in the manner stipulated in the Indenture or any Supplemental Indenture, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under the 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 the Indenture, upon payment of all amounts owed by the District to the Trustee under the Indenture, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall, after payment of amounts payable to the Trustee under the Indenture, pay over or deliver to the District's general fund all money or securities held by it pursuant to the Indenture which are not required for the payment of the interest due on and the principal of such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph above 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 depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund are available for such purpose, 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 District, in trust, direct, noncallable Federal Securities, of the type defined in the definition in the Indenture set forth in the Indenture, in which the District may lawfully invest its money, in such amount as an Independent Financial Consultant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund are available for such purpose, 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;

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under the 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 and except for the covenants of the District contained in the Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than thirty (30) days prior to the proposed defeasance date. In connection with a defeasance under (b) or (c) above, there shall be provided to the Trustee a certificate of a 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 Bonds to be defeased in accordance with the Indenture, 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 the Indenture and any applicable Supplemental Indenture. Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under the Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance under the Indenture of all Outstanding Bonds, the Trustee shall pay over or deliver to the District 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 and any fees and expenses of the Trustee remaining unpaid. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

MISCELLANEOUS

Cancellation of Bonds. All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor and any Bond purchased by the District as authorized in the Indenture shall be cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds, as provided by law, and, upon written request from the District, furnish to the District a certificate of such destruction.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the 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 the Indenture (except as otherwise in the Indenture 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 in the Indenture 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 in the Indenture 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 District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in the Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters in the Indenture stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Unclaimed Moneys. Anything in the Indenture to the contrary notwithstanding and subject to the escheat laws of the State, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds which remain unclaimed for two (2) years after the date when such Outstanding Bonds have become due and payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the said date when such Outstanding Bonds become due and payable, shall be repaid by the Trustee to the District, 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 District for the payment of such Outstanding Bonds; provided, however, that, before being required to make any such payment to the District or the Trustee shall, at the expense of the District, cause to be mailed to the registered Owners of such Outstanding Bonds 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 less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Provisions Constitute Contract. The provisions of the Indenture shall constitute a contract between the District and the Bondowners and the provisions in the Indenture 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 District, 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 the Indenture shall be irrepealable, but shall be subject to modifications to the extent and in the manner provided in the Indenture, but to no greater extent and in no other manner.

Future Contracts. Nothing in the Indenture contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Taxes which are subordinate to the pledge under the Indenture, or which is payable from the general fund of the District or from taxes or any source other than the Net Special Taxes as defined in the Indenture.

Further Assurances. The District 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 the Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in the Indenture.

Severability. If any covenant, agreement or provision, or any portion in the Indenture, contained in the Indenture, or the application in the Indenture to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of the Indenture and the application of any such covenant, agreement or provision, or portion in the Indenture, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and the Indenture and the Bonds issued pursuant to the Indenture shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Action on Next Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in the Indenture.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE DISTRICT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of July 1, 2014, is executed and delivered by City of Modesto Community Facilities District No. 2004-1 (the "Issuer") and Goodwin Consulting Group, Inc., as dissemination agent, in connection with the issuance and delivery by the Issuer of the Issuer's 2014 Special Tax Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 2014-272 and that certain Trust Indenture (the "Indenture"), dated as of July 1, 2014, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Issuer covenants as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"*Disclosure Representative*" shall mean the Director of Finance, or such other officer or employee as the City shall designate in writing to the Dissemination Agent from time to time.

"*Dissemination Agent*" shall mean, initially, Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the Issuer which has filed with the then current Dissemination Agent a written acceptance of such designation.

"*EMMA*" shall mean the Electronic Municipal Market Access system of the MSRB.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"*Participating Underwriter*" shall mean Stifel Nicolaus & Company, Incorporated.

"*Repository*" shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Tax-exempt*" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preferences or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) Not later than nine months immediately following the end of the Issuer's fiscal year, commencing April 1, 2015, the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Issuer's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The Issuer will promptly notify the Repository of a change in the fiscal year dates.

(b) In the event that the Dissemination Agent is an entity other than the Issuer, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer will be filing the Annual Report in compliance with subsection (a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(c) If the Issuer is the Dissemination Agent and the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository in substantially the form attached to this Disclosure Agreement as Exhibit A. If the Dissemination Agent is other than the Issuer and if the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository if other than the MSRB; and

(ii) promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Agreement, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the Issuer then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report may be filed without audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the Issuer shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the Issuer shall modify the basis upon which its financial statements are prepared, the Issuer shall provide a notice of such modification to the Repository, including a reference to the specific federal or State law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of Bonds outstanding as of September 30 of each year;

(ii) the balance in each fund under the Indenture as of the September 30 preceding the filing of the Annual Report, including the Reserve Account and a statement of the Reserve Requirement;

(iii) any changes to the Rate and Method approved or submitted to the electors for approval prior to the filing of the Annual Report;

(iv) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes;

(v) the identity of any property owner whose delinquent special taxes represent more than 5% of the amount levied and the number of lots, assessed value, delinquency amount value-to-lien ratios, prior delinquencies and foreclosure status of the applicable properties;

(vi) information regarding the percentage of delinquency, if any, in the collection of special taxes levied on property in the District for the Fiscal Year preceding the Annual Report date in the form set forth in Table 7, the number of parcels delinquent, amount delinquent compared to the total levy and the assessed value of each delinquent parcel; and

(vii) any information not already included under (i) through (vii) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

In addition to any of the information expressly required to be provided under paragraphs (a) or (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements set forth in clauses (i) to (vii), in the light of the circumstances under which they were made, not misleading.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository. If the document included by reference is a final official

statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);

6. tender offers;

7. defeasances;

8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

3. appointment of a successor or additional trustee or the change of the name of a trustee;

4. nonpayment related defaults;

5. modifications to the rights of Owners of the Bonds;

6. notices of redemption; and

7. release, substitution or sale of property securing repayment of the Bonds.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Special District Financing and Administration. The Dissemination Agent may resign by providing (i) thirty days written notice to the Issuer, and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 8. Amendment.

(a) This Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the Owners, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Participating Underwriter, to the same effect as set forth in clause (2) above, (4) the Issuer shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the Owners or Beneficial Owners, or such amendment shall have been approved by the Owners in the same manner as an amendment to the Indenture, and (5) the Issuer shall have delivered copies of such opinion and amendment to the Repository.

(b) This Disclosure Agreement also may be amended by written agreement of the parties upon obtaining consent of Owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Owners of the Bonds; provided that the conditions set forth in Section 8(a)(1), (2) and (3) have been satisfied.

(c) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The District acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended may apply to the District, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the District under such laws.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent other than the Issuer shall be paid (i) compensation by the Issuer for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Issuer pursuant to this Disclosure Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of

the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Governing Law. This Disclosure Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 15. Notices. Any notice or communications to be among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Community Facilities District No. 2004-1 of the City of Modesto P.O. Box 642 Modesto, California 95353 Attention: Director of Finance Telephone: (209) 577-5371 Facsimile: (209) 571-5880
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, 4th Floor Los Angeles, California 90071 Attention: Corporate Trust Telephone: (213) 630-6231 Facsimile: (213) 630-6215
To the Dissemination Agent:	Goodwin Consulting Group, Inc. 555 University Avenue, Suite 280 Sacramento, California 95825 Attention: Susan Goodwin Telephone: (916) 561-0890 Facsimile: (916) 561-0891
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, California 94104 Attention: Ralph Holmes Telephone: (415) 364-5965 Facsimile: (415)364-7765

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. Future Determination of Obligated Persons. In the event the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the District to meet the continuing disclosure requirements of the Rule with respect to such obligated

person and nothing in this Disclosure Agreement shall be deemed to obligate the District to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the District pursuant to Section 4 and Section 5 hereof. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

SECTION 17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

SECTION 18. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO

By: _____
Its: City Manager of the City of Modesto, which is acting in its capacity as the legislative body of Community Facilities District No. 2004-1 of the City of Modesto

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

By: _____
Its: Authorized Officer

EXHIBIT A

NOTICE TO THE REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO (VILLAGE ONE #2)

Name of Bond Issue: $_____ COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO 2014 Special Tax Refunding Bonds

Date of Issuance: _____, 2014

NOTICE IS HEREBY GIVEN that Community Facilities District No. 2004-1 of the City of Modesto (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of July 1, 2014. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

cc: City of Modesto

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APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

Form 500NY (5/90)

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) • 2014 SPECIAL TAX REFUNDING BONDS

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com

NEW ISSUE — BOOK-ENTRY-ONLY

RATINGS: S&P: "AA" (Insured Bonds)
S&P: "BBB-" (Underlying)
(See "RATINGS" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX EXEMPTION" herein with respect to other tax consequences with respect to the Bonds.

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

Dated: Delivery Date **Due: September 1, as shown on the inside cover page**

The City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Bonds") are being issued by Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto (the "Community Facilities District") to refund the Community Facilities District's outstanding Series 2006 Special Tax Bonds (the "Refunded Bonds"), to fund a Reserve Account securing the Bonds, to purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on a certain maturity of the Bonds and to pay the costs of issuance of the Bonds. See "THE REFUNDING PLAN" herein. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to that certain Trust Indenture (the "Indenture"), dated as of July 1, 2014, by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are special obligations of the Community Facilities District and are payable from Net Special Taxes (as defined herein) derived from a certain annual Special Tax (as defined herein) to be levied on taxable property within the Community Facilities District and from certain other funds pledged under the Indenture, all as further described herein. The Special Tax is to be levied according to the rate and method of apportionment approved by the City Council of the City of Modesto and the qualified electors within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" herein. Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The Bonds are issuable in fully-registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in principal amounts of $5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable commencing March 1, 2015 and semiannually thereafter on each September 1 and March 1. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF MODESTO, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OF MODESTO OR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, special mandatory redemption from Special Tax prepayments, and mandatory sinking fund redemption as set forth herein. See "THE BONDS — Redemption of the Bonds" herein.

The scheduled payment of principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. See "INTRODUCTION — Bond Insurance" and "BOND INSURANCE." The insured rating and information herein relating to Assured Guaranty Municipal Corp. will only apply to the Insured Bonds.

ASSURED GUARANTY®
MUNICIPAL

Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, is serving as Disclosure Counsel to the Community Facilities District with respect to the Bonds. Certain legal matters will be passed on for the Community Facilities District and the City by the City Attorney. Certain legal matters will be passed on by Nossaman LLP, Irvine, California, as counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery on or about July 30, 2014.

STIFEL

Dated: July 16, 2014

MATURITY SCHEDULE

$17,670,000 Serial Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.†
2015	$320,000	2.00%	0.61%	101.502	607800BJ7
2016	475,000	3.00	0.91	104.308	607800BK4
2017	535,000	4.00	1.31	108.109	607800BL2
2018	595,000	4.00	1.74	108.875	607800BM0
2019	655,000	4.50	2.14	111.314	607800BN8
2020	725,000	5.00	2.46	114.273	607800BP3
2021	805,000	5.00	2.82	113.911	607800BQ1
2022	890,000	5.00	3.08	113.647	607800BR9
2023	980,000	5.00	3.31	113.165	607800BS7
2024	1,070,000	5.00	3.44	113.197	607800BT5
2025	1,170,000	5.00	3.55[C]	112.200	607800BU2
2026	1,275,000	5.00	3.70[C]	110.857	607800BV0
2027	1,385,000	5.00	3.81[C]	109.885	607800BW8
2028	1,505,000	5.00	3.92[C]	108.922	607800BX6
2029	1,625,000	5.00	4.00[C]	108.229	607800BY4
2030	1,760,000	5.00	4.07[C]	107.627	607800BZ1
2031	1,900,000	5.00	4.14[C]	107.028	607800CA5

$11,650,000 Term Bonds*

$11,650,000 4.00% Term Bonds due September 1, 2036 Yield: 4.17% Price: 97.558 CUSIP No.† 607800CB3

[C] Yield to call date of September 1, 2024 at par.

† Copyright 2014, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. Neither the Community Facilities District nor the Underwriter make any representations as to the accuracy of CUSIP data herein.

* Insured Bonds.

CITY OF MODESTO

CITY COUNCIL

Garrad Marsh, *Mayor*
Dave Cogdill, *Council Member*
John Gunderson, *Council Member*
Jenny Kenoyer, *Council Member*
Dave Lopez, *Council Member*
Tony Madrigal, *Council Member*
Bill Zoslocki, *Council Member*

CITY OFFICIALS

Jim Holgersson, *Interim City Manager and District Administrator*
Gloriette Genereux, *Director of Finance*
Adam Lindgren, *City Attorney*
Roland R. Stevens, *Special Counsel*
Stephanie Lopez, *City Clerk*
Tina Rocha, *Administrator – Infrastructure Financing Programs*
Brent Sinclair, AICP, *Director of Community and Economic Development*

PROFESSIONAL SERVICES

Bond and Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Financial Advisor

Public Financial Management
San Francisco, California

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent

Grant Thornton, LLP
Minneapolis, Minnesota

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the Community Facilities District. No dealer, broker, salesperson or other person has been authorized by the City, the Community Facilities District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Community Facilities District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption "THE COMMUNITY FACILITIES DISTRICT."

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the Community Facilities District's Continuing Disclosure Agreement, a form of which is attached hereto as Exhibit F, neither the Community Facilities District nor the City plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

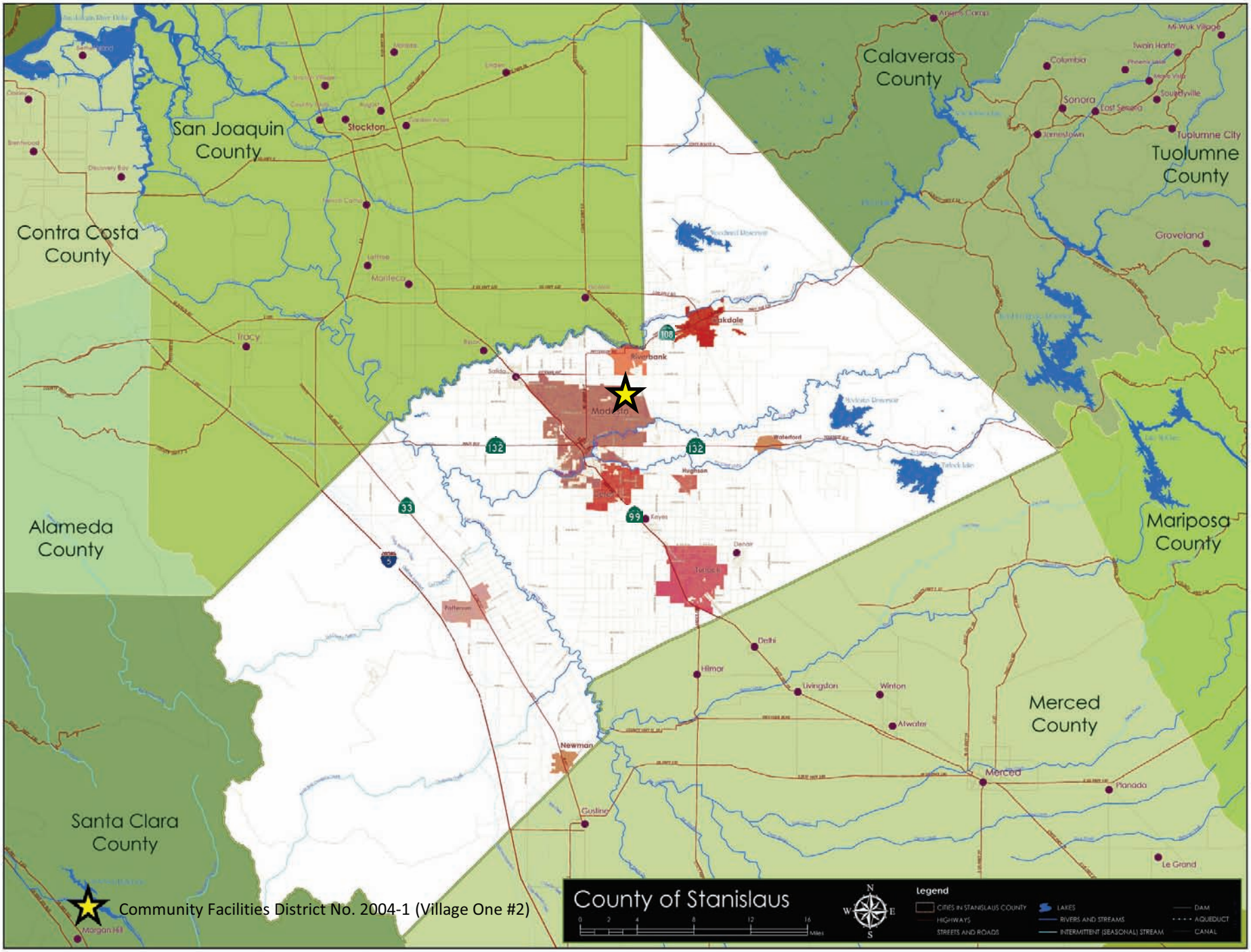
Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "Appendix G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page


Calaveras County
San Joaquin County
Contra Costa County
Tuolumne County
Alameda County
Mariposa County
Merced County
Santa Clara County
Stockton
Manteca
Tracy
Riverbank
Modesto
Waterford
Hughson
Keyes
Denair
Turlock
Patterson
Delhi
Hilmar
Livingston
Winton
Atwater
Newman
Gustine
Merced
Planada
Le Grand
Morgan Hill
Groveland
Sonora
Columbia
Tuolumne City
Community Facilities District No. 2004-1 (Village One #2)
County of Stanislaus
Legend

City of Modesto

Village One Community Facilities District No. 2004-1

0 0.125 0.25 0.5 Miles

June 19, 2014

Village One 2004-1

Aerial Date: 2013

MODESTO CALIFORNIA

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the "Official Statement"), is to provide certain information concerning the issuance by City of Modesto Community Facilities District No. 2004-1 (the "Community Facilities District") of its 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds"). The proceeds of the Bonds, together with certain existing funds of the Community Facilities District, will be used to defease all of the Community Facilities District's outstanding Series 2006 Special Tax Bonds, originally issued in the aggregate principal amount of $31,085,000 and now outstanding in the principal amount of $29,925,000 (the "Refunded Bonds"). A portion of the Bonds will be used to fund a deposit to the Reserve Account, to purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on a certain maturity of the Bonds (as described in "BOND INSURANCE" below) and to pay costs of issuance of the Bonds. See "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq*. of the Government Code of the State of California) (the "Act"), and that certain Trust Indenture dated, as of July 1, 2014 (the "Indenture"), by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"). The Bonds are secured under the Indenture by a pledge of and lien upon Net Special Taxes (as defined herein) and all moneys in the Special Tax Fund as described in the Indenture.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The Community Facilities District

General. The City Council formed the Community Facilities District under the Act to provide for the financing of public improvements to meet the needs of development in the portion of the City known as "Village One." The Community Facilities District is part of the City's plan to provide financing for the infrastructure that will be required in order to support the development of Village One.

Village One is located in the northeastern portion of the City's urban area and is anticipated to be developed as a pedestrian oriented, mixed use planned community. At its ultimate buildout, Village One is expected to include a variety of residential, commercial, and industrial land uses. As a result of annexations subsequent to its formation, the Community Facilities District currently encompasses over 286 Net Taxable Acres (as defined in the Rate and Method of Apportionment) of the approximately 1,840 gross acres of land within Village One. Approximately twenty acres of land included within the Community Facilities District have been or are expected to be developed for commercial and office uses, and the remainder thereof has been

or is expected to be developed for residential purposes including approximately 524 apartment units and 1,390 single-family residences.

As of June 30, 2013, there were 1,066 residential units which are all classified as "Village Residential Property" (residential units with a density of more than two units per acre) which had been completed and conveyed to individual home buyers. Additionally, there were 13 parcels of commercial property which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013) which have been or are expected to be developed for commercial and office uses, and 5 parcels of multifamily housing including 3 Apartment Units which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013). As of June 30, 2013 there were 337 parcels of Undeveloped Property (all but five of which were within a Final Map) and one parcel of taxable public property. See "THE COMMUNITY FACILITIES DISTRICT" for more information concerning the Community Facilities District.

Formation Proceedings. The Community Facilities District was formed on April 6, 2004. The Bonds are being issued pursuant to the Act and the Indenture. The Act was enacted by the State of California (the "State") legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on March 2, 2004, the City Council of the City of Modesto (the "City Council"), adopted Resolution No. 2004-127, stating its intention to form the Community Facilities District and to authorize the levy of a special tax on the taxable property within the Community Facilities District, and Resolution No. 2004-128, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed $75,000,000 within the Community Facilities District for the purpose of financing the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District. Subsequent to a noticed public hearing on April 6, 2004, the City Council adopted Resolution No. 2004-199 (the "Resolution of Formation") which established the Community Facilities District and authorized the levy of a special tax within the Community Facilities District, and Resolution No. 2004-200 ("Resolution to Incur Bonded Indebtedness") which determined the necessity to incur bonded indebtedness in an amount not to exceed $75,000,000 within the Community Facilities District, called an election within the Community Facilities District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit.

On April 6, 2004, an election was held within the Community Facilities District in which the landowners eligible to vote approved the proposition authorizing the issuance of bonds in an amount not to exceed $75,000,000 to finance the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District, the levying of the special taxes and the appropriations limit of $75,000,000. On April 6, 2004, the City Council, acting as the legislative body of the Community Facilities District, adopted Ordinance No. 3392-C.S. (the "Ordinance") which provides for the rate and method of apportionment (the "Rate and Method") and levying of the Special Tax. On April 16, 2004, a Notice of Special Tax Lien was recorded in the office of County Recorder of the County of Stanislaus (the "County") for the Community Facilities District, which was subsequently amended with each of 14 annexations to the Community Facilities District.

Pursuant to the Act, the seven members of the City Council now act as the legislative body for the Community Facilities District. Community Facilities District administrative services are provided by the City's staff.

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Agreement between Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") and the Community Facilities District. For more complete information, see "THE BONDS — General Provisions" herein.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions "THE COMMUNITY FACILITIES DISTRICT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

As used in this Official Statement, the term "Special Tax" means the "Annual Facilities Special Tax," as defined in the Rate and Method, which has been authorized to be levied against certain property within the Community Facilities District pursuant to the Act and in accordance with the Rate and Method, and does not include the Annual Maintenance Special Tax (as defined in the Rate and Method) or the One-Time Facilities Special Tax (as defined in the Rate and Method). See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" herein.

Under the Indenture, the principal of and interest on the Bonds are payable from Net Special Taxes and all amounts in the Special Tax Fund (including the Debt Service Account, the Principal Account and the Reserve Account) established under the Indenture. The "Net Special Taxes" are the Special Tax proceeds, including all proceeds from foreclosure sales for delinquent Special Taxes, remaining after payment of the Administrative Expenses up to the Administrative Expenses Cap, which is $45,000 per fiscal year escalating two percent (2%) each Fiscal Year beginning in Fiscal Year 2014-15 (the "Administrative Expenses Cap"). The Bonds are secured only by the Net Special Taxes collected within the Community Facilities District. Amounts in the Administration Fund, Rebate Fund and the Surplus Fund are not pledged to the repayment of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes."

The Special Taxes are expected to be included on the regular property tax bills sent to the record owners of property within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS —Special Taxes." In the event of certain specified delinquencies in the payment of the Special Tax, the Community Facilities District has covenanted that it will commence and pursue judicial foreclosure proceedings with respect to delinquent Special Taxes under the circumstances described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION

THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Net Special Taxes are the primary security for the repayment of the Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in certain funds under the Indenture, including amounts held in the Reserve Account of the Special Tax Fund. The Community Facilities District has covenanted for the benefit of the owners of the Bonds that it will, under certain circumstances described herein, commence, or cause to be commenced, and diligently prosecute to judgment (unless the delinquency is brought current), judicial foreclosure proceedings against assessor's parcels with delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" herein."

The Community Facilities District has covenanted not to issue additional indebtedness secured by the Special Taxes on a parity basis to the lien of the Bonds, except for bonds issued for the purpose of refunding all or a portion of outstanding Bonds or parity bonds. See "THE BONDS — Issuance of Additional Bonds for Refunding Only" herein. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied on the property within the Community Facilities District. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein.

EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS.

Description of the Bonds

The Bonds will be issued and delivered as fully-registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

The Bonds are subject to optional redemption, special mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described herein. For a more complete descriptions of the Bonds and the basic documentation pursuant to which the Bonds are being sold and delivered, see "THE BONDS" and APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

Tax Exemption

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference

for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See "TAX EXEMPTION" herein.

Set forth in APPENDIX B is the opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences incidental to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see "TAX EXEMPTION" herein.

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Trustee under the Indenture and as Escrow Bank under the Escrow Agreement (each as defined herein). Stifel, Nicolaus & Company, Incorporated is the Underwriter of the Bonds. All proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the City and the Community Facilities District by the City Attorney. Certain legal matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California. Other professional services have been performed by Goodwin Consulting Group, Inc., Sacramento, California, as Special Tax Consultant and Dissemination Agent and Grant Thornton, LLP, Minneapolis, Minnesota, as verification agent.

For information concerning whether certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see "FINANCIAL INTERESTS" herein.

Continuing Disclosure

The Community Facilities District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system available on the Internet at http://emma.msrb.org ("EMMA") certain annual financial information and operating data. The Community Facilities District will further agree to provide notice of certain listed events. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE" herein and APPENDIX E hereto for a description of the specific nature of the annual reports to be filed by the Community Facilities District and notices of listed events to be provided by the Community Facilities District. In connection with certain obligations, the City failed to file required information as described in "CONTINUING DISCLOSURE" herein. Other than as disclosed in this Official Statement, within the last five years, neither the City nor the Community Facilities District has failed to timely comply with their prior continuing disclosure obligations under Rule 15c2-12(b)(5) in all material respects. See "CONTINUING DISCLOSURE."

Bond Insurance

Payment of principal of and interest on the Bonds maturing on September 1, 2036 (the "Insured Bonds") will be insured by a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. concurrently with the issuance of the Bonds. See the caption "BOND INSURANCE."

Bond Owners' Risks

Certain events could affect the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the

Bonds may not be appropriate investments for some types of investors. See "SPECIAL RISK FACTORS" herein.

Changes Since the Date of the Preliminary Official Statement

Changes have been made in this Official Statement since the Preliminary Official Statement dated July 9, 2014 to (1) add to the annual financial information and operating data that the Community Facilities District will, under the Continuing Disclosure Agreement, agree to provide, or cause to be provided, to EMMA (See "CONTINUING DISCLOSURE" herein and APPENDIX E hereto for a description of the specific nature of the annual reports to be filed by the Community Facilities District) and (2) describe additional instances in which the City has failed to comply with its prior continuing disclosure undertakings within the last five years.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City, acting as the legislative body of the Community Facilities District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Copies of the Indenture and other documents and information are available for inspection and (upon request and payment to the Community Facilities District of a charge for copying, mailing and handling) for delivery from the City at 1010 Tenth Street, Modesto California 95353, Attention: Community Facilities District Administrative Officer.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds, together with prior funds on hand.

Sources of Funds	
Principal Amount of Bonds	$ 29,320,000.00
Plus: Net Original Issue Premium	1,472,057.05
Less: Underwriter's Discount	(193,730.29)
Plus: Prior Funds	4,006,591.01
Total Sources	$ 34,604,917.77
Uses of Funds:	
Escrow Fund to Redeem Refunded Bonds	$ 31,279,653.75
Reserve Account of the Special Tax Fund	2,735,200.00
Bond Insurance Premium	368,695.74
Costs of Issuance Fund	221,368.28
Total Uses	$ 34,604,917.77

THE REFUNDING PLAN

A portion of the proceeds from the sale of the Bonds will be used along with other funds held by the Community Facilities District to defease the Refunded Bonds. The Community Facilities District will enter into an Escrow Agreement with regard to the Refunded Bonds (the "Escrow Agreement"), dated as of July 1, 2014, by and between the Community Facilities District and the Trustee, as prior Trustee and as escrow bank (the "Escrow Bank"). An irrevocable escrow fund will be established under the Escrow Agreement (the "Escrow Fund"). The moneys deposited with the Escrow Bank will be sufficient to pay the principal of and premium, and interest on, the Refunded Bonds due and payable on September 1, 2014, and to defease the remaining Refunded Bonds and redeem such Refunded Bonds maturing on and after September 1, 2014 on September 1, 2014 (the "Redemption Date"). Moneys on deposit in the Escrow Fund will be held uninvested as cash. The amounts in the Escrow Fund will be held by the Escrow Bank for the benefit of the owners of the Refunded Bonds and will be applied to redeem the Refunded Bonds on September 1, 2014. Upon the establishment of the Escrow Fund as described above, the Refunded Bonds will be discharged under the Indenture and the owners of the Refunded Bonds will have no rights thereunder except to be paid the principal and interest due on the Refunded Bonds from amounts in the Escrow Fund.

Grant Thornton, LLP, upon delivery of the Bonds, will deliver a verification report relating to the sufficiency of moneys deposited into the Escrow Fund to pay the principal of, interest on and the redemption price with respect to the Refunded Bonds on the Redemption Date.

THE BONDS

Authority for Issuance

The Bonds in the aggregate principal amount of $29,320,000 are authorized to be issued by the Community Facilities District under and subject to the terms of the Indenture, the Act and other applicable laws of the State of California.

Purpose of the Bonds

The Bonds are being issued to provide funds to (i) defease the Refunded Bonds and redeem the Refunded Bonds on September 1, 2014, the Redemption Date, (ii) fund a reserve account securing the Bonds, (iii) to purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the Insured Bonds and (iv) pay the costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE REFUNDING PLAN" herein.

General Provisions

The Bonds will be issued and delivered in the aggregate principal amount of $29,320,000, initially in book-entry form and will bear interest at the rates per annum and will mature on the dates set forth on the cover page hereof. Individual purchases of the Bonds may be made in principal amounts of $5,000 and any integral multiple thereof. The Bonds will be dated the Delivery Date and interest will be payable thereon on September 1 and March 1 of each year, commencing March 1, 2015 (individually, an "Interest Payment Date"). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) the date of authentication is an Interest Payment Date, in which event it shall bear interest from such date, (ii) the date of authentication is after the 15th day of the month, regardless of whether such day is a Business Day but prior to the immediately succeeding Interest Payment Date (a "Record 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 Delivery Date; 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 the Delivery Date.

The Bonds are issued as fully-registered bonds and will be registered in the name of Cede & Co., as nominee DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 and any integral multiple thereof. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

Debt Service Schedule

The Special Tax is to be levied against the property within the Community Facilities District and collected according to the Rate and Method. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The Community Facilities District has covenanted to levy the Special Tax each year in time to have it placed on the secured property tax roll of the County. Actual collections of the Special Tax will depend on the Special Tax delinquencies.

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
DEBT SERVICE SCHEDULE

Period Ending September 1	*Principal*	*Interest*	*Total Debt Service*
2015	$ 320,000	$ 1,429,132.15	$ 1,749,132.15
2016	475,000	1,309,425.00	1,784,425.00
2017	535,000	1,295,175.00	1,830,175.00
2018	595,000	1,273,775.00	1,868,775.00
2019	655,000	1,249,975.00	1,904,975.00
2020	725,000	1,220,500.00	1,945,500.00
2021	805,000	1,184,250.00	1,989,250.00
2022	890,000	1,144,000.00	2,034,000.00
2023	980,000	1,099,500.00	2,079,500.00
2024	1,070,000	1,050,500.00	2,120,500.00
2025	1,170,000	997,000.00	2,167,000.00
2026	1,275,000	938,500.00	2,213,500.00
2027	1,385,000	874,750.00	2,259,750.00
2028	1,505,000	805,500.00	2,310,500.00
2029	1,625,000	730,250.00	2,355,250.00
2030	1,760,000	649,000.00	2,409,000.00
2031	1,900,000	561,000.00	2,461,000.00
2032	2,045,000	466,000.00	2,511,000.00
2033	2,185,000	384,200.00	2,569,200.00
2034	2,320,000	296,800.00	2,616,800.00
2035	2,470,000	204,000.00	2,674,000.00
2036	2,630,000	105,200.00	2,735,200.00
Totals	$29,320,000	$19,268,432.15	$48,588,432.15

Source: The Underwriter.

Redemption of the Bonds

Optional Redemption. The Bonds maturing on or before September 1, 2024 are not subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to call and redemption, at the option of the Community Facilities District, from any available source of funds prior to their stated maturity on any date on or after September 1, 2024, as a whole or in part, and by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 2036 (the "2036 Term Bonds") will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established by the Trust Indenture, on September 1, 2032, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 2036 Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 2036 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Due on September 1, 2036

Year (September 1)	***Mandatory Sinking Fund Redemption Amount***
2032	$2,045,000
2033	2,185,000
2034	2,320,000
2035	2,470,000
2036 (maturity)	2,630,000

In the event the Community Facilities District elects to redeem Bonds, the Community Facilities District is required to provide written notice to the Trustee of its election so to redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee must be given at least 35 but no more than 60 days prior to the redemption date or such shorter period as will be acceptable to the Trustee, provided that such notice of redemption may state that redemption is contingent upon the availability of refunding bond proceeds for such purpose.

Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to special mandatory redemption as a whole, or in part, on a pro rata basis among maturities, on any Interest Payment Date, and will be redeemed by the Trustee, from Special Tax Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Account"), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

Redemption Dates	***Redemption Price***
Any Interest Payment Date through March 1, 2022	103%
September 1, 2022 and March 1, 2023	102
September 1, 2023 and March 1, 2024	101
September 1, 2024 and any Interest Payment Date thereafter	100

Special Tax Prepayments and amounts released from the Reserve Account in connection with Special Tax Prepayments will be allocated to the redemption of the Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds.

Purchase of Bonds. In lieu of payment at maturity or redemption, moneys in the Special Tax Fund may be used and withdrawn by the Trustee for purchase of Outstanding Bonds, upon the filing with the

Trustee of an Officer's Certificate requesting such purchase, at a public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event will Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if the Bonds were to be redeemed in accordance with the Indenture.

Selection of Bonds for Redemption

If less than all of the Outstanding Bonds are to be redeemed (except with respect to mandatory sinking fund redemption in which case selection shall be by lot), the Trustee shall select Bonds pro rata among maturities and by lot within a maturity. 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, and, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000. The Trustee shall promptly notify the Community Facilities District in writing of the Bonds, or portions thereof, selected for redemption.

Notice of Redemption

Notice of redemption, containing the information required by the Indenture, will be given by the Trustee in the name of the Community Facilities District at least 30 but not more than 60 days prior to the redemption date; provided that such notice of redemption may state that redemption is contingent upon the availability of refunding bond proceeds for such purpose. The Indenture requires that the notice of redemption (a) specify the serial numbers and the maturity date or dates of the Bonds selected for redemption, except that where all the Bonds subject to redemption, or all the Bonds of one maturity, are to be redeemed, the serial numbers thereof need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be surrendered for redemption; and (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed. The redemption notice will further state that on the specified date there shall become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date and that from and after such date, interest thereon shall cease to accrue and be payable. The redemption notice shall also be sent to EMMA.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Neither the failure to receive such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the redemption date. From and after 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 will cease to bear further interest.

In addition, no owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of the 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 made available to the Trustee.

Registration of Exchange or Transfer

Upon cessation of the book-entry system, 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 corporate trust office of the Trustee, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee and duly executed by the Bondowner or his or her duly authorized attorney. Bonds may be exchanged at said corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee will not collect from the Owner any charge for any new Bond issued upon any transfer or exchange but will require the Bondowner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. Whenever any Bond shall be surrendered for registration of transfer or exchange, the Community Facilities District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same 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 the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

Issuance of Additional Bonds for Refunding Only

The Community Facilities District may issue bonds secured by Net Special Taxes on a parity with the Bonds at any time, without the consent of the Bondowners, for the purpose of refunding all or a portion of the Outstanding Bonds ("Parity Bonds"). However, the Community Facilities District will not issue any additional bonds to finance additional public facilities.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds will be secured by a pledge of the Net Special Taxes and all moneys deposited in the Special Tax Fund. The Bonds are not secured by moneys on deposit in the Rebate Fund, the Administrative Fund or the Surplus Fund.

The Indenture defines the term "Net Special Taxes" to mean, for each fiscal year, Gross Taxes (exclusive of any penalties and interest accruing with respect to delinquent Special Tax installments) minus amounts (not in excess of the then current Administrative Expense Cap) set aside to pay Administrative Expenses and minus also the portion of any Prepayment that is not required to be deposited in the Special Tax Fund**.** "Gross Taxes" is defined by the Indenture to mean the amount of all Special Taxes received by the Community Facilities District, together with proceeds collected from the sale of property pursuant to the foreclosure provisions of the Trust Indenture for the delinquency of Special Taxes remaining after the payment of all of the costs related to such foreclosure actions, including, but not limited to, all legal fees and expenses, court costs, consultant and title insurance fees and expenses. The Indenture defined the term "Special Taxes" to mean the Annual Facilities Special Tax (as defined in the Rate and Method of Apportionment); accordingly, "Special Taxes" do not include the one time special tax authorized to be levied in connection with the issuance of a building permit for property within the Community Facilities District or the annual special tax authorized to be levied to provide maintenance services. The Administrative Expense Cap for the Community Facilities District is $45,000 for fiscal year 2013-14, but it can be increased by up to 2% per year. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions."

The Special Tax is exempt from the tax rate limitation of California Constitution Article XIIIA pursuant to Section 4 thereof because it constitutes a "special tax" authorized by a two-thirds vote of the qualified electors in the Community Facilities District. Consequently, the Community Facilities District is legally authorized and has covenanted in the Trust Indenture to levy the Special Tax pursuant to the Rate and Method of Apportionment in amounts which will be sufficient after making reasonable allowances for delinquencies, contingencies and errors in the estimates to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture. See

"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS —Special Taxes" below. The Rate and Method of Apportionment apportions the total amount of the Special Tax to be collected among the taxable parcels in the Community Facilities District as more particularly described herein. See "—Special Taxes—*Rate and Method of Apportionment of Special Tax,*" and "THE COMMUNITY FACILITIES DISTRICT" and APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

Although the Special Tax will be levied against taxable parcels within the Community Facilities District, it does not constitute a personal indebtedness of the respective property owners. There is no assurance that the property owners will be financially able to pay the annual Special Tax or that they will pay it even if financially able to do so. See "SPECIAL RISK FACTORS" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

General.

In accordance with the provisions of the Act, the City Council established the Community Facilities District on April 6, 2004 for the purpose of financing the design, construction, expansion, acquisition, leasing and rehabilitation of certain public facilities within or serving the Community Facilities District, as provided in the Resolution of Formation. The Resolution of Formation and the Resolution to Incur Bonded Indebtedness authorized the Community Facilities District to submit a proposition to the qualified electors of the Community Facilities District to authorize the issuance of an aggregate principal amount of bonds not to exceed $75,000,000 and the annual levy and collection of the Special Tax pursuant to the terms and conditions of the Act. The levy of the Special Tax and the Rate and Method were approved by the qualified electors within the Community Facilities District on April 6, 2004. On April 6, 2004, the City Council, acting as the legislative body of the Community Facilities District, adopted the Ordinance which provides for the levying of the Special Tax. The Rate and Method approved by the City Council and the qualified electors is set forth in Appendix A hereto.

The Special Tax applicable to each parcel of Taxable Property (as defined in the Rate and Method of Apportionment) within the Community Facilities District each Fiscal Year is required to be calculated pursuant to the Rate and Method of Apportionment and varies depending upon a parcel's Tax Zone, Expected Land Use and Net Taxable Acreage (each as defined in the Rate and Method of Apportionment). See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The Special Tax is expected to be collected by the County at the same time and in the same manner as general *ad valorem* property taxes. The Indenture requires that the Community Facilities District transfer to the Trustee no later than the last day of each month during which the Special Taxes are received by the Community Facilities District for deposit in the Special Tax Fund all the Special Taxes received by the Community Facilities District, provided that a Prepayment of the Special Tax is required to be deposited directly the Redemption Account of the Special Tax Fund (see APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Creation of Funds and Application of Revenues and Gross Taxes – Redemption Account of the Special Tax Fund").

Notwithstanding the foregoing, the Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method for the Community Facilities District. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See "SPECIAL RISK FACTORS — Insufficiency of Special Taxes."

Rate and Method of Apportionment of Special Tax.

The Community Facilities District is legally authorized and has covenanted to cause the levy of the Special Taxes in an amount determined according to the Rate and Method, which the City Council and the qualified electors of the Community Facilities District have approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in the Community Facilities District as more particularly described herein. The Community Facilities District adopted the Rate and Method following public hearings and elections conducted pursuant to the provisions of the Act. The full text of the Rate and Method is set forth in Appendix A hereto.

The Rate and Method of Apportionment is contained in APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Capitalized terms that are used in the discussion under this caption and not otherwise defined herein shall have the respective meanings ascribed to them in the Rate and Method of Apportionment. In general, the Rate and Method of Apportionment imposes a different Maximum Annual Facilities Special Tax on Taxable Property within the Community Facilities District depending upon which Tax Zone it is located in, its status as Developed Property, Undeveloped Property or Taxable Public Property, its Land Use Class and its Net Taxable Acreage. For Fiscal Year 2013-14 the Per Acre Maximum Annual Facilities Special Tax for Tax Zone 1 and Tax Zone 2 is approximately $4,203.14 per Net Taxable Acre for Low Density Residential Property, approximately $7,654.57 per Net Taxable Acre for Village Residential Property, approximately $8,630.96 per Net Taxable Acre for Multi-Family Property, approximately $4,266.48 per Net Taxable Acre for Commercial Property and approximately $3,047.49 per Net Taxable Acre for Industrial Property. Each Fiscal Year the Maximum Annual Facilities Special Tax escalates by 2% of the amount in effect in the prior Fiscal Year.

The Rate and Method of Apportionment defines "Net Taxable Acreage" as ". . . the total acreage within a Final Map or parcel less arterial road right-of-ways [sic] and property that is defined in the Final Map for use as a park site, school site, or city owned or CFD owned storm drain basin." Thus, for purposes of the Rate and Method of Apportionment, the Net Taxable Acreage of a parcel will be deemed to include areas that are in addition to the actual net area of the parcel.

Pursuant to the Rate and Method of Apportionment, the Administrator is required to determine the "Annual Facilities Special Tax Requirement" for the Community Facilities District for each Fiscal Year. The Annual Facilities Special Tax Requirement for the Community Facilities District is the amount necessary in any Fiscal Year: (i) to pay principal of and interest on Bonds, (ii) to pay administrative expenses of the Community Facilities District that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish the Reserve Account, (iv) to cure any delinquencies in the payment of principal of or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Annual Facility Special Tax proceeds. The amounts referred to in clauses (i) and (iii) of the preceding sentence may be reduced in any Fiscal Year by: (a) 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 Trust Indenture, (b) proceeds received by the Community Facilities District from the collection of penalties associated with delinquent Annual Facilities Special Taxes and (c) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

The Annual Facilities Special Tax Requirement is to be satisfied first by levying the Annual Facilities Special Tax Proportionately on each Parcel of Developed Property within the Community Facilities District at up to 100% of the applicable Maximum Annual Facilities Special Tax. If additional moneys are needed to satisfy the Annual Facilities Special Tax Requirement, and after applying any available Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Annual Facilities Special Tax for Undeveloped Property. Finally, any additional amounts required in order to satisfy the Annual Facilities Special Tax Requirement shall be raised by the levy of the Annual Facilities Special Tax Proportionately on each Parcel of Taxable Public Property at up to 100% of the Maximum Annual Facilities Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Parcel within the Community Facilities District that is used for private residential purposes be increased by more than 10% per Fiscal Year as a consequence of a delinquency or default by the owner of any other Parcel within the Community Facilities District.

UNDER NO CIRCUMSTANCES MAY THE SPECIAL TAX ON ANY ASSESSOR'S PARCEL EXCEED THE MAXIMUM RATES AS SET FORTH IN APPENDIX A HERETO. See APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto.

In connection with the issuance of the Bonds, Goodwin Consulting Group, Inc., the Community Facilities District's Special Tax Consultant, will certify that the Maximum Special Tax that may be levied on assessor's parcels of Developed Property and Undeveloped Property within the Community Facilities District will be at least equal to 110% of maximum annual debt service on the Bonds plus the Administrative Expense Cap. Actual collections of the Special Tax will depend on the amount of Special Tax delinquencies.

Under the Rate and Method, the owner of a parcel may voluntarily prepay the Special Tax obligation for a parcel in whole or in part. Any voluntary prepayment of Special Taxes will result in a special mandatory redemption of the Bonds. See "THE BONDS — Redemption of the Bonds — *Special Mandatory Redemption from Special Tax Prepayments*."

Although the Special Taxes will constitute liens on taxed parcels within the Community Facilities District, such taxes do not constitute a personal indebtedness of the owners of property within the Community Facilities District. Moreover, other liens for taxes and assessments already exist on the property located within the Community Facilities District and others could come into existence in the future in certain situations without the consent or knowledge of the Community Facilities District or the landowners therein. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein. There is no assurance that the property owners in the Community Facilities District will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so. See the portion of this Official Statement entitled "SPECIAL RISK FACTORS."

10% Limitation on Increases in the Special Tax Levy as a Result of Delinquencies. Section 53321 of the Act states that under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes (parcels are considered "used for private residential purposes" on the date that an occupancy permit for private residential use is issued) be increased as a consequence of delinquency or default by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Therefore, even though the maximum Special Tax rates may allow for Special Tax increases greater than 10%, in the event of high delinquencies in the Community Facilities District, the Community Facilities District could not increase the Special Taxes in the fiscal year following such delinquencies by more than 10% on the residential units. See "SPECIAL RISK FACTORS — Insufficiency of Special Taxes."

Covenant Not to Reduce Special Tax Rates Unless Certain Conditions are Met

The Community Facilities District has covenanted in the Indenture that it will not take any actions that would discontinue or cause the discontinuance of the Special Tax levy or the Community Facilities District's authority to levy the Special Tax so long as the Bonds are Outstanding, including the initiation of proceedings under the Act to reduce the maximum Special Tax rates on then existing Developed Property below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to 110% of annual debt service on the Outstanding Bonds. The Community Facilities District has further covenanted that in the event an initiative is adopted which purports to reduce maximum Special Tax rates or to limit the power of the Community Facilities District to levy Special Taxes for the purposes set forth above, it will commence and pursue legal action seeking to preserve its ability to comply with its covenants. There are no California court cases interpreting the enforceability of the foregoing covenants in light of Article XIIIC. See "SPECIAL RISK FACTORS — Proposition 218."

Existing Liens

The lots within the Community Facilities District are subject to additional indebtedness as set forth under the heading "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness" herein.

The lien for the Special Taxes is co-equal to the lien for the overlapping assessments and special taxes and the lien for general property taxes. See "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

Except as disclosed in this Official Statement, the Community Facilities District is unaware of any present or contemplated assessment district or community facilities district that includes property within the Community Facilities District. The Community Facilities District has no control, and the City has only limited control, over the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, will be on a parity with the Special Taxes.

No Obligation of the City Upon Delinquency

The City is under no obligation to transfer any funds of the City into the Special Tax Fund for payment of the principal of or interest on the Bonds if a delinquency occurs in the payment of any Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" for a discussion of the Community Facilities District's obligation to foreclosure Special Tax liens upon delinquencies.

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Act, the Community Facilities District covenants in the Indenture with and for the benefit of the Bondowners that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the Community Facilities District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than $5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question (ii) the balance on deposit in the Reserve Account of the Special Tax Fund is not less than the Reserve Requirement.

Pursuant to the Act, the Community Facilities District may waive delinquency penalties and redemption penalties if it determines that (i) the waivers shall apply only to parcels delinquent at the time of

the determination, (ii) the waivers shall only be available with respect to parcels for which all past due and currently due Special Tax and all other costs are paid in full within a limited period of time specified in the determination, (iii) the waivers shall be available only with respect to parcels sold or otherwise transferred to new owners unrelated to the owner responsible for the delinquency, and (iv) the waivers are in the best interest of the Owners of the Bonds.

In the event foreclosure or foreclosures are necessary, there may be a delay in payments to Bondowners pending prosecution of the foreclosure proceedings and receipt by the Community Facilities District of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase price or applicable property would be received at the foreclosure sale. See "SPECIAL RISK FACTORS —Bankruptcy and Foreclosure." Notwithstanding any other provision of the Trust Indenture, the City is not obligated to advance available funds from the City's treasury to cure any deficiency in the Special Tax Fund.

Reserve Account

In order to further secure the payment of principal of and interest on the Bonds, upon delivery of the Bonds, the Community Facilities District will deposit in the Reserve Account such amount equal to the Reserve Requirement with respect to the Bonds. Thereafter, the Community Facilities District is required, subject to the limits on the levy of the Special Tax, to deposit and to maintain the Reserve Requirement in the Reserve Account at all times while any of the Bonds are outstanding. The Reserve Requirement for the Bonds is defined as the amount equal to the lowest of: (i) 10% of the principal amount of the Bonds; (ii) maximum annual principal and interest requirements on all Bonds outstanding or (iii) 125% of the average annual principal and interest requirements on all Bonds outstanding. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein. Subject to the limits on the maximum annual Special Tax which may be levied within the Community Facilities District, as described in APPENDIX A, the Community Facilities District has covenanted to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement while any Bonds are outstanding. Amounts in the Reserve Account are to be applied to the payment of (i) redemption of the Bonds in whole or in part, (ii) debt service on the Bonds to the extent other moneys are not available therefor, and (iii) the principal and interest due on the final maturity of the Bonds. In addition, moneys in the Reserve Account may be used to make any required transfer to the Rebate Fund. In the event of a prepayment of Special Taxes, under certain circumstances, a portion of the Reserve Account will be added to the amount being prepaid and be applied to redeem Bonds; provided, however, that no such transfer shall be made if it would result in the amount in the Reserve Account being less than the Reserve Requirement. See APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein for a description of additional requirements. In no event shall amounts in the Reserve Account be used to pay fees or expenses of the Trustee or its counsel.

Priority of Bonds and Pledge of Net Special Taxes

The Community Facilities District has pledged and assigned to the Trustee all Net Special Taxes (Special Taxes remaining after the payment of Administrative Expenses up to the Administrative Expenses Cap) for the payment of principal of, premium, if any, and interest on the Bonds. Pursuant to the Act and the Indenture, the Bonds shall be and are equally secured by a pledge of and lien upon the Net Special Taxes, and certain other amounts on deposit in the Special Tax Fund and the Reserve Account of the Special Tax Fund. So long as any of such Bonds are Outstanding and unpaid, the Net Special Taxes and the interest thereon may be used only as provided in the Indenture unless the Bondowners authorize other uses of such Net Special Taxes pursuant to the provisions of the Indenture. Nothing in the Indenture or in any Supplemental Indenture shall preclude the redemption prior to maturity of any Bonds subject to call and redemption or the payment of the Bonds from proceeds of refunding bonds issued under the Act or under any other law of the State.

Amounts in the Rebate Fund, Administration Fund and the Surplus Fund are not pledged to the repayment of the Bonds.

BOND INSURANCE

The information under this caption has been prepared by AGM for inclusion in this Official Statement. Neither the Community Facilities District nor the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix G for a specimen of the Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, AGM will issue its Municipal Bond Insurance Policy (the "Policy") for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At March 31, 2014, AGM's policyholders' surplus and contingency reserve were approximately $3,621 million and its net unearned premium reserve was approximately $1,869 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, of AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd., and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; after giving effect to certain intercompany eliminations; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (filed by AGL with the SEC on May 9, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure

contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

THE CITY

The City is located in the northern San Joaquin Valley on State Highway 99, approximately 90 miles southeast of San Francisco, 86 miles east of San Jose and the Silicon Valley industrial area and 316 miles north of Los Angeles. It has a land area of approximately 36 square miles and an estimated population of over 200,000 people. More detailed economic and demographic information about the City and its surrounding areas is contained in APPENDIX C — "GENERAL INFORMATION CONCERNING THE REGION." The City Council of the City serves as the legislative body of the Community Facilities District and certain members of the City staff provide services to the Community Facilities District. However, the Bonds are not obligations of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the Bonds.

THE COMMUNITY FACILITIES DISTRICT

General Description of the Community Facilities District

The City Council formed the Community Facilities District under the Act to provide for the financing of public improvements to meet the needs of development in the portion of the City known as "Village One." The Community Facilities District is part of the City's plan to provide financing for the infrastructure that will be required in order to support the development of Village One.

Village One is located in the northeastern portion of the City's urban area and is anticipated to be developed as a pedestrian-oriented, mixed-use planned community. At its ultimate buildout, Village One is expected to include a variety of residential, commercial, and industrial land uses. As a result of annexations subsequent to its formation, the Community Facilities District currently encompasses over 286 Net Special Taxable Acres (as defined in the Rate and Method of Apportionment) of the approximately 1,840 gross acres of land within Village One. Approximately twenty acres of land included within the Community Facilities District have been or are expected to be developed for commercial and office uses, and the remainder thereof has been or is expected to be developed for residential purposes including approximately 524 apartment units and 1,390 single-family residences.

As of June 30, 2013, there were 1,066 residential units which are all classified as "Village Residential Property" (residential units with a density of more than two units per acre) which had been completed and conveyed to individual home buyers. Additionally, there were 13 parcels of commercial property which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013) which have been or are expected to be developed for commercial and office uses, and 5 parcels of multifamily housing including 3 Apartment Units which were classified as Developed Property for Fiscal Year 2013-14 (meaning building permits had been issued as of June 30, 2013). As of June 30, 2013 there are 337 parcels of Undeveloped Property (all but five of which were within a Final Map) and one parcel of taxable public property.

The parcels which comprise the Community Facilities District are not contiguous to one another. However, with the exception of one property located on the northeast corner of the Sylvan and Roselle Avenues, the parcels are generally located south of Sylvan Avenue, west of Claus Road, north of Briggsmore Avenue, and east of Oakdale Road. A diagram showing the location of the various parcels within the Community Facilities District is included in APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.

Water service to the property within the Community Facilities District is supplied by the City. Water for properties within Village One is provided by ground water from the existing well located at Ustach Park

and by surface water from the Tuolumne River. The surface water is treated at the City's existing surface water treatment plant. Three additional wells have been constructed to serve the area. Sewer service to the property within the Community Facilities District is also provided by the City.

Electricity is supplied by the Modesto Irrigation District, natural gas by Pacific Gas & Electric, telephone services by SBC and public safety services (police and fire) by the City.

Elementary and middle schools for the residents of property within the Community Facilities District are provided by the Sylvan Union School District, and high schools are provided by the Modesto City Schools District. The City's Village One plan states that two elementary schools, two middle schools and a high school will be needed in order to accommodate the student population of Village One at build out. The elementary schools, Freedom Elementary School and the Mary Ann Sanders Elementary School and the two middle schools, Elizabeth J. Ustach Middle School and Daniel J. Savage Middle School, are complete. The James C. Enochs High School is also complete.

According to the California Seismic Safety Commission, the County is located in Seismic Zone 3. Zone 3 is a medium risk area common to the Central Valley. The Community Facilities District is not aware of any active faults located under or near the property, and none of the property is located in an Alquist-Priolo Earthquake Fault Zone. The Federal Emergency Management Agency has determined that the Community Facilities District is located in a Flood Zone C designated area (an area that is outside the 100-year flood plain).

Direct and Overlapping Indebtedness

The Community Facilities District is included within the boundaries of numerous overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the Community Facilities District is shown in the table below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the Community Facilities District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

The ability of an owner of land within the Community Facilities District to pay the Special Taxes could be affected by the existence of other taxes and assessments imposed upon the property. These taxes consist of the direct and overlapping debt set forth in Table 1 below. As of June 1, 2014, the sum of the direct and overlapping tax and assessment debt applicable to the property within the Community Facilities District, including the Refunded Bonds but excluding the Bonds, was $39,458,141. In addition, other public agencies whose boundaries overlap those of the Community Facilities District could, without the consent of the Community Facilities District, and in certain cases without the consent of the owners of the land within the Community Facilities District, impose additional taxes or assessment liens on the property within the Community Facilities District in order to finance public improvements to be located inside of or outside of such area. The lien created on the property within the Community Facilities District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Taxes. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein.

Set forth below is a direct and overlapping debt report prepared by California Municipal Statistics, Inc. as of June 1, 2014. The table provides that the assessed value of the property within the Community Facilities District has been determined to be $350,395,662 for the Fiscal Year 2013-14. The debt report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or other special taxes. See Table 3 for all entities levying a tax or assessment within the Community Facilities District. The debt report is included for general information purposes only.

Although the Community Facilities District has reviewed the debt report, it makes no representations as to its completeness or accuracy.

TABLE 1
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 1, 2014

2013-14 Local Secured Assessed Valuation: $350,395,662

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/15/14
Yosemite Community College District General Obligation Bonds	0.711%	$2,145,153
Modesto High School District General Obligation Bonds	1.970	892,068
Sylvan Union School District General Obligation Bonds	7.198	2,527,989
Schools Infrastructure Financing Agency Community Facilities District No. 1994-1	18.102	3,967,931 (1)
City of Modesto Community Facilities District No. 2004-1	**100.**	**29,925,000** (2)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$39,458,141
OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County General Fund Obligations	0.995%	$ 523,376
Stanislaus County Office of Education Certificates of Participation	0.995	36,606
Modesto High School District Certificates of Participation	1.970	323,444
City of Modesto General Fund Obligations	2.872	2,208,487
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,091,913
COMBINED TOTAL DEBT		$42,550,054 (3)

Ratios to 2013-14 Assessed Valuation:

Direct Debt ($29,925,000).....8.54%
Total Direct and Overlapping Tax and Assessment Debt..... 11.26%
Combined Total Debt 12.14%

(1) Prorated using Fiscal Year 2013-14 special tax.
(2) Excludes Mello-Roos Act bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Fiscal Year 2013-14 Special Tax Rates

The following Table 2 sets forth the Fiscal Year 2013-14 Special Tax levy by land use class.

TABLE 2
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ANNUAL FACILITIES SPECIAL TAX RATES
FOR FISCAL YEAR 2013-14

Land Use Class	*Number of Parcels*	*Maximum Facilities Special Tax Rate*	*Actual Facilities Special Tax Rate*	*Acreage Used for Tax Calculation*[1]	*Total Facilities Special Tax Levy*
Developed Property					
Low Density Residential	0	$4,203.14	$4,203.14	0.00	$ 0
Village Residential	1,070	7,654.57	7,654.57	195.64	1,497,563
Multi-Family	3	8,630.96	8,630.96	20.11	173,570
Commercial	13	4,266.48	4,266.48	20.92	89,235
Industrial	0	3,047.49	3,047.49	0.00	0
Subtotal Developed Property	1,086			236.67	$ 1,760,368
Undeveloped Property					
Low Density Residential	0	$4,203.14	$ 632.83	0.00	$ 0
Village Residential	334	7,654.57	1,152.48	65.06	74,983
Multi-Family	1	8,630.96	1,299.48	10.60	13,775
Commercial	2	4,266.48	642.36	5.10	3,278
Industrial	0	3,047.49	458.83	0.00	0
Subtotal Undeveloped Property	337			80.76	$ 92,035
Taxable Public Property					
Low Density Residential	0	$4,203.14	$ 0.00	0.00	$ 0
Village Residential	0	7,654.57	0.00	0.00	0
Multi-Family	1	8,630.96	0.00	0.57	0
Commercial	0	4,266.48	0.00	0.00	0
Industrial	0	3,047.49	0.00	0.00	0
Subtotal Taxable Public Property	1			0.57	$ 0
Grand Total					**$ 1,852,403**

(1) Represents the allocated acreage of Original Parcels pursuant to the Rate and Method of Apportionment; may not be equal to actual acreage.

Source: Goodwin Consulting Group, Inc.

Table 3 below sets forth Fiscal Year 2013-14 overall tax rates also applicable to selected properties within the Community Facilities District. Table 3 sets forth those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt. The sample tax bill of each of the units shown in Table 3 was selected based on the mix of development products and location in the City of the units in the Community Facilities District.

TABLE 3
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
TAX RATES FOR TWO SAMPLE RESIDENTIAL PARCELS
FISCAL YEAR 2013-14

Net Taxable Value	***Rate***	***Parcel 1***	***Parcel 2***
Secured assessed value		$182,070	$293,500
Less: Homeowner exemption		($7,000)	($7,000)
Net Taxable Value		$175,070	$286,500
Basic levy rate @ 1%	1.0000%	$1,751	$2,865
Direct and Special Assessments			
Sylvan Elementary Bond 2011 Refunding	0.0255%	$44.64	$73.06
Sylvan Elementary Bond 2007	0.0263	46.04	75.35
Modesto High Bond 2001	0.0364	63.73	104.29
YCCD Bond 2007C	0.0190	33.26	54.44
YCCD Bond 2010D	0.0004	0.70	1.15
YCCD Bond 2012 Refunding	0.0076	13.31	21.77
SIFA CFD No. 1994-1[(2)]		323.00	390.30
SIFA Tax CR		(41.52)	(71.14)
Modesto CFD No. 2004-1 (Services)		367.76	405.14
Modesto CFD No. 2004-1 (Facilities)		$1,484.08	$1,634.98
Total property taxes and levies[(1)]		$4,085.70	$5,554.33
Tax rate as % of secured assessed value		2.24%	1.89%

(1) Totals may not add due to rounding.
(2) Approximately 741 parcels within the Community Facilities District are also within the Schools Infrastructure Financing Agency ("SIFA") Community Facilities District No. 1994-1 ("SIFA CFD No. 1994-1").
Sources: Stanislaus County Tax Collector's Office, Goodwin Consulting Group, Inc.

Estimated Assessed Value-to-Lien Ratios

Set forth in Table 4 below is the historical assessed value of the taxable property within the Community Facilities District for Fiscal Years 2005-06 through 2013-14.

TABLE 4
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ASSESSED VALUATION
FISCAL YEARS 2005-06 THROUGH 2013-14

Fiscal Year Ending June 30	*Land Assessed Value*	*Improvement Assessed Value*	*Total Assessed Value*[1]	*Percent Change*
2006	$ 29,953,768	$ 1,694,040	$ 31,676,358	N/A
2007	145,189,659	110,424,974	256,592,443	710%
2008	210,159,638	204,508,642	414,668,280	62
2009	120,308,016	261,340,033	382,225,451	(-8)
2010	88,747,878	296,180,786	385,453,504	1
2011	84,199,198	278,366,573	363,488,090	(-6)
2012	85,954,252	258,367,405	345,240,457	(-5)
2013	85,933,178	248,225,417	335,617,315	(-3)
2014	78,931,344	270,082,978	350,395,662	4

(1) Values may not sum due to "Other" values not shown.
Sources: Stanislaus County Assessor's Office, Goodwin Consulting Group, Inc.

Set forth below in Table 5 is a table showing the assessed value-to-lien ratio of the property within the Community Facilities District.

TABLE 5
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ASSESSED VALUE-TO-LIEN RATIOS BY DEVELOPMENT STATUS

Development Characteristic	*Number of Parcels*[1]	*Fiscal Year 2013-14 Land Assessed Value*	*Fiscal Year 2013-14 Improvement Assessed Value*	*Fiscal Year 2013-14 Total Assessed Value*[2]	*Fiscal Year 2013-14 Maximum Facilities Special Tax*	*Fiscal Year 2013-14 Facilities Special Tax Levy*	*Land Secured Direct and Overlapping Debt*[3]	*Value-to-Lien*
Developed Property								
Parcels With Improvement Value								
Village Residential	1,066	$56,617,032	$204,124,608	$260,741,640	$1,492,495	$1,492,495	$31,168,948	8.37 : 1
Multi-Family	3	3,862,033	41,106,047	46,317,760	173,570	173,570	3,957,456	11.70 : 1
Commercial	12	9,644,857	24,322,493	33,988,010	85,694	85,694	1,897,483	17.91 : 1
Parcels Without Improvement Value								
Village Residential	4	120,100	0	120,100	5,068	5,068	86,853	1.38 : 1
Commercial	1	663,000	0	663,000	3,541	3,541	66,602	9.95 : 1
Subtotal Developed Property	1,086	$70,907,022	$269,553,148	$341,830,510	$1,760,368	$1,760,368	$37,177,342	9.19 : 1
Undeveloped Property								
Parcels Within a Final Map								
Village Residential	331	$7,080,771	$386,165	$7,466,936	$383,896	$57,799	$1,037,635	7.20 : 1
Commercial	1	10,457	31,464	41,921	7,946	1,196	19,603	2.14 : 1
Parcels Not Within a Final Map								
Village Residential	3	467,200	112,200	579,400	114,130	17,183	281,206	2.06 : 1
Multi-Family	1	234,021	0	234,021	91,489	13,775	221,752	1.06 : 1
Commercial	1	231,872	0	231,872	13,824	2,081	36,635	6.33 : 1
Subtotal Undeveloped Property	337	$8,024,321	$529,829	$8,554,150	$611,284	$92,035	$1,596,830	5.36 : 1
Taxable Public Property								
Multi-Family	1	$1	$1	$11,002	$4,920	$0	$43,153	0.25 : 1
Grand Total	1,424	$78,931,344	$270,082,978	$350,395,662	$2,376,573	$1,852,403	$38,817,326	9.03 : 1

(1) Does not include parcels owned by the Housing Authority of Stanislaus County, on which a Facilities Special Tax was not levied in fiscal year 2013-14.
(2) Values may not sum due to "Other" values not shown.
(3) Represents the debt lien based on the Bonds, allocated based on the actual Fiscal year 2013-14 facilities special tax levy and not the Maximum Facilities Special Tax. Includes the overlapping debt lien of the SIFA CFD No. 1994-1 Special Tax Bonds, Series 2004 (the "SIFA 2004 Bonds"), and overlapping general obligation debt secured by ad valorem taxes on the property. Does not take into account the potential refunding of the SIFA 2004 Bonds, which would reduce the overlapping debt lien by approximately $2.1 million. Approximately 741 parcels within the Community Facilities District are also within SIFA CFD No. 1994-1.

Sources: Stanislaus County Assessor's Office, Stifel, Nicolaus & Company, Incorporated, Goodwin Consulting Group, Inc.

Table 6 below sets forth the estimated assessed value-to-lien ratios for parcels within the Community Facilities District by various ranges based upon the Fiscal Year 2013-14 Assessed values within the Community Facilities District and direct and overlapping land secured debt.

TABLE 6
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
DISTRIBUTION OF FISCAL YEAR 2013-14 SECURED ASSESSED VALUE-TO-LIEN RATIOS

Assessed Value-to-Lien Ratio	*No. of Parcels*[1]	*Fiscal Year 2012-13 Total Assessed Value*[1]	*Fiscal Year 2012-13 Special Tax Levy*	*% of Total Fiscal Year 2013-14 Special Tax Levy*	*Pro Rata Share of Bonds*[2]	*Overlapping Debt Lien*[3]	*Total Debt Lien*
20:1 or Greater	7	$ 11,174,436	$ 22,661	1.22%	$ 358,679	$ 177,905	$ 536,584
15:1 ≤ x < 20:1	8	22,158,659	56,294	3.04	891,029	356,688	1,247,717
10:1 ≤ x < 15:1	118	76,862,529	311,585	16.82	4,931,797	1,797,838	6,729,636
5:1 ≤ x < 10:1	1,272	238,593,622	1,416,896	76.49	22,426,755	7,084,294	29,511,049
3:1 ≤ x < 5: 1	10	834,172	11,271	0.61	178,397	20,607	199,003
Less than 3:1	8	761,242	33,696	1.82	533,343	16,841	550,184
Total	1,423	$350,384,660	$1,852,403	100.00%	$29,320,000	$9,454,172	$38,774,172

(1) Does not include Taxable Public Property or parcels owned by the Housing Authority of Stanislaus County, on which a Facilities Special Tax was not levied in Fiscal Year 2013-14.
(2) Represents the debt lien based on the Bonds, allocated based on the actual Fiscal Year 2013-14 Facilities Special Tax levy and not the Maximum Facilities Special Tax.
(3) Includes the overlapping debt lien of the SIFA CFD No. 1994-1 Special Tax Bonds, Series 2004 and overlapping general obligation debt secured by ad valorem taxes on the property. Does not take into account the potential refunding of the SIFA 2004 Bonds, which would reduce the overlapping debt lien by approximately $2.1 million. Approximately 741 parcels within the Community Facilities District are also within SIFA CFD No. 1994-1.

Sources: Stanislaus County Assessor's Office, Stifel, Nicolaus & Company, Incorporated, Goodwin Consulting Group, Inc.

Delinquency History

The following table is a summary of Special Tax levies, collections and delinquency rates in the Community Facilities District for Fiscal Years 2006-07 through Fiscal Year 2013-14.

TABLE 7
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
SPECIAL TAX LEVY, DELINQUENCY, AND COLLECTION
FISCAL YEARS 2006-07 THROUGH 2013-14

		As of the end of each fiscal year				*As of June 20, 2014*			
Fiscal Year Ending June 30	***Facilities Special Tax Levy***	***Number of Parcels Delinquent***	***Amount Delinquent***	***Percentage Delinquent***	***Facilities Special Tax Collected***	***Number of Parcels Delinquent***	***Amount Delinquent***	***Percentage Delinquent***	***Facilities Special Tax Collected***
2007	$1,966,274	53	$ 87,607	4.46%	$1,878,667	0	$ 0	0.00%	$1,966,274
2008	2,082,069	136	168,334	8.08	1,913,735	0	0	0.00	2,082,069
2009	2,145,979	62	86,945	4.05	2,059,035	0	0	0.00	2,145,979
2010	1,586,695	49	49,596	3.13	1,537,099	0	0	0.00	1,586,695
2011	1,884,881	23	58,843	3.12	1,826,038	0	0	0.00	1,884,881
2012	1,801,492	33	30,972	1.72	1,770,521	1	1,541	0.09	1,799,952[(1)]
2013	1,834,647	11	5,654	0.31	1,828,993	1	1,572	0.09	1,833,076[(1)]
2014	1,852,403	8	8,243	0.44	1,844,160	8	8,243	0.44	1,844,160

Sources: Stanislaus County Assessor's Office, Goodwin Consulting Group, Inc.

(1) Pursuant to the Trust Indenture for the Refunded Bonds, this parcel's delinquent special taxes were stripped from the County tax roll on June 21, 2012. The Community Facilities District is currently pursuing collection of these delinquent amounts.

Top Taxpayers

Table 8 sets forth the top ten taxpayers within the Community Facilities District based on the Fiscal Year 2013-14 Special Tax levy.

TABLE 8
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
TOP TEN TAXPAYERS
FISCAL YEAR 2013-14

Property Owner	*Land Use Class*	*Development Status*	*Number of Parcels*	*Number of Developed Multi-Family Units*	*Maximum Facilities Special Tax*	*Actual Facilities Special Tax Levy*	*Percent of District Total based on Actual Levy*	*Fiscal Year 2013-14 Land Assessed Value*	*Fiscal Year 2013-14 Improvement Assessed Value*	*Fiscal Year 2013-14 Total Assessed Value* [1]	*First Fiscal Year as Developed Property* [2]
Antelope Valley Ranches LLC	Multi-Family	Developed	1	240	$86,655	$86,655	4.68%	$ 1,761,033	$21,342,047	$23,810,760	2007-08
Brooks Landing Apt. Assoc. LLC	Multi-Family	Developed	1	232	81,995	81,995	4.43	2,000,000	19,025,000	21,667,000	2005-06
Village One Station LLC	Commercial	Developed	5	--	47,059	47,059	2.54	5,548,500	14,901,500	20,450,000	2007-08
Bonaventure Fund I LLC	Village Residential	Developed/ Undeveloped [3]	196	--	187,202	28,996	1.57	3,770,000	162,500	3,932,500	2007-08
Modesto Kodiak Investors LP	Village Residential	Undeveloped	65	--	102,518	15,435	0.83	1,625,000	0	1,625,000	N/A
(Individuals)	Multi-Family	Undeveloped	1	--	91,489	13,775	0.74	234,021	0	234,021	N/A
SKN Modesto LLC	Commercial	Developed	1	--	14,310	14,310	0.77	1,251,196	4,396,292	5,647,488	2008-09
Terravest Capital Partners LP	Village Residential	Developed/ Undeveloped [4]	47	--	58,721	12,025	0.65	960,000	0	960,000	2008-09
(Individuals)	Commercial	Developed	3	--	11,306	11,306	0.61	1,090,688	2,398,883	3,489,571	2006-07
Central California Development LLC	Village Residential	Undeveloped	1	--	64,069	9,646	0.52	253,000	0	253,000	N/A
Total			321	472	$745,325	$321,203	17.34%	$18,493,438	$62,226,222	$82,069,340	

(1) Total may not sum due to "Other" values not shown.
(2) Represents the first fiscal year that any parcel of property was taxed as Developed Property under the Rate and Method of Apportionment.
(3) For the Fiscal Year 2013-14 Special Tax Levy, one parcel was classified as Developed Property. The remaining 195 parcels were classified as Undeveloped Property.
(4) For the Fiscal Year 2013-14 Special Tax Levy, three parcels were classified as Developed Property. The remaining 44 parcels were classified as Undeveloped Property.
Source: Goodwin Consulting Group, Inc.

Historical Development Status

The following table sets forth the number of parcels categorized as Developed Property under the Rate and Method for Fiscal Years 2009-10 through 2013-14.

TABLE 9
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
PARCELS CATEGORIZED AS DEVELOPED PROPERTY
FISCAL YEAR 2009-10 THROUGH 2013-14

Fiscal Year	*Number of Developed Parcels*[1]	*Percent Change*
2009-10	1,056	--
2010-11	1,059	0.28%
2011-12	1,075	1.51
2012-13	1,085	0.93
2013-14	1,086	0.09

(1) Does not include Taxable Public Property.
Source: Goodwin Consulting Group, Inc.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks and, therefore, the Bonds are not suitable investments for many investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Community Facilities District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the Community Facilities District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Community Facilities District.

Risks of Real Estate Secured Investments Generally

The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of residential property or commercial buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the individual property owners will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See "SPECIAL RISK FACTORS — Bankruptcy and Foreclosure" below, for a discussion of certain limitations on the Community Facilities District's ability to pursue judicial proceedings with respect to delinquent parcels.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the credit nor the taxing power of the Community Facilities District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no Owner of the Bonds may compel the exercise of any taxing power by the Community Facilities District or the City or force the forfeiture of any City or Community Facilities District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the Community Facilities District's property or upon any of the City's or the Community Facilities District's income, receipts or revenues, except the Special Taxes and other amounts pledged under the Indenture.

Insufficiency of Special Taxes

The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Rate and Method. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property within the Community Facilities District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

(1) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

(2) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" herein, the Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Account is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

In addition, under no circumstances will the Special Taxes levied against any parcel of Residential Property be increased by more than 10% per Fiscal Year as a consequence of delinquency or default by the owner of any other parcel within the Community Facilities District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Rate and Method of Apportionment of Special Tax*" herein.

Geologic, Topographic and Climatic Conditions

The market value of the property within the Community Facilities District can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements of the parcels and the continued habitability and enjoyment of such public and private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements) and climatic conditions (such as droughts, fire hazard and floods).

Building codes require that some of these factors be taken into account in the design of private improvements of the parcels, and the City has adopted the Uniform Building Code standards with regard to seismic standards. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of establishment between the present costs of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Consequently, neither the absence of nor the establishment of design criteria with respect to any particular condition means that the applicable governmental agency has evaluated the condition and has established design criteria in the situations in which such criteria are needed to preserve value, or has established such criteria at levels that will preserve value. To the contrary, the Community Facilities District expects that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the actual value of the parcels may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the property within the Community Facilities District, as set forth in the various tables herein, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The Community Facilities District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the Community Facilities District has such a current liability with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the Community Facilities District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

Payment of the Special Tax is not a Personal Obligation of the Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the Community Facilities District has no recourse against the owner.

Parity Taxes and Special Assessments

Property within the Community Facilities District is subject to taxes and assessments imposed by public agencies also having jurisdiction over the land within the Community Facilities District. See "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See "— Bankruptcy and Foreclosure" below.

Neither the Community Facilities District nor the City, however, have control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Community Facilities District. In addition, the landowners within the Community Facilities District may, without the consent or knowledge of the Community Facilities District, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for the property within the Community Facilities District described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness."

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value is sufficient may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel, was informed of the maximum tax rate and the risk of such a levy and the ability of such owner to pay the Special Tax as well

as pay other expenses and obligations. The City has caused a Notice of the Special Tax to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within the Community Facilities District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are customarily billed to the properties within the Community Facilities District on the *ad valorem* property tax bills sent to owners of such properties. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure," for a discussion of the provisions which apply, and procedures which the Community Facilities District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See "— Bankruptcy and Foreclosure" below, for a discussion of the policy of the Federal Deposit Insurance Corporation (the "FDIC") regarding the payment of special taxes and assessment and limitations on the Community Facilities District's ability to foreclose on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Properties

The ability of the Community Facilities District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the FDIC, or other federal government entities such as Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other federal agency, has or obtains an interest.

In the case of FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the Community Facilities District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The Community Facilities District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution "this Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding." In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. For a discussion of risks associated with taxable parcels within the Community Facilities District becoming owned by the federal government, federal government entities or federal government sponsored entities, see "— Insufficiency of Special Taxes."

The Community Facilities District's remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) or by the laws of the State relating to judicial foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Secondly, the Bankruptcy Code might prevent moneys on deposit in the Special Tax Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner in the Community Facilities District and if the court found that any of such landowners had an interest in such moneys within the meaning of Section 541(a)(1) of the Bankruptcy Code.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount and priority of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in procuring Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax installments not being paid in full.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture and further subject to the prior lien of owners of Bonds, an owner is given the right for the equal benefit and protection of all owners of a series similarly situated to pursue certain remedies described in APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." See also "— Limitations on Remedies" herein.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the Community Facilities District has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See "INTRODUCTION — Continuing Disclosure" and APPENDIX E — "FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE DISTRICT." Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure entitled the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996, general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative have not yet been interpreted by the courts, although a number of lawsuits have been filed requesting the courts to interpret various aspects of the Initiative. The initiative could potentially impact the Special Taxes otherwise available to the Community Facilities District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIIC states that "…the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

> Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the Community Facilities District or the City acting as the legislative body of the Community Facilities District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the Community Facilities District has covenanted that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels of Developed Property within the Community Facilities District to less than an amount projected to equal to 110% of annual debt service each year on the Outstanding Bonds plus the Administrative Expense Cap. In connection with the foregoing covenant, the Community Facilities District has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The Community Facilities District also has covenanted that, in the event an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of the Initiative will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "— Limitations on Remedies."

Ballot Initiatives and Legislative Measures

Articles XIIIA, XIIIB, XIIIC and XIIID were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of Rossi v. Brown, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or

to increase appropriations or on the ability of the landowners within the Community Facilities District to complete the remaining proposed development.

Loss of Tax Exemption

As discussed under the caption "TAX EXEMPTION," the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Community Facilities District or the City in violation of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Community Facilities District has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture. See "THE BONDS — Selection of Bonds for Redemption."

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is possible that subsequent to the issuance of the Bonds there might be federal, State, or local statutory changes (or judicial or regulatory interpretations of federal, State, or local law) that affect the federal, State, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur. On May 21, 2007, the U.S. Supreme Court agreed to review a Kentucky state court decision, in the matter of Kentucky v. Davis, on the issue of whether the U.S. Constitution commerce clause precludes states from giving more favorable tax treatment to state and local government bonds issued within that state than the tax treatment given bonds issued outside that state. The outcome of this or any similar case cannot be predicted, but the ultimate result could be a change in the treatment for state tax purposes of interest on the Bonds. If the Kentucky v. Davis decision is affirmed by the United States Supreme Court, states such as California may be required to eliminate the disparity between the income tax treatment of out-of-state tax-exempt obligations and the income tax treatment of in-state tax-exempt obligations, such as the Bonds. The impact of such a United States Supreme Court decision may also affect the market price for, or the marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding this matter. See "TAX EXEMPTION" below.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). For example, the City issued bonds in late 2006 to finance certain water system improvements (the "2006 Bonds"). The IRS is conducting an inquiry into the tax status of the 2006, Bonds. The IRS has alleged the 2006 Bonds were "hedge bonds," in violation of the rules for tax-exempt bond issuances, because the City had not spent all of the 2006 Bond proceeds in a timely manner. The City disputes these allegations. To the City's knowledge, no other bonds of the City, including the Community Facilities District and the Refunded Bonds, are the subject of an IRS audit.

Limitations on Remedies

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or others similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the "Disclosure Agreement") with Goodwin Consulting Group, Inc., as disclosure dissemination agent, the Community Facilities District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found on the Internet at *www.emma.msrb.org*, on an annual basis certain financial information and operating data concerning the Community Facilities District. The Community Facilities District has further agreed to provide notice to EMMA of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission. See APPENDIX E hereto for a description of the specific nature of the annual reports to be filed by the Community Facilities District and notices of listed events to be provided by the Community Facilities District. In connection with certain obligations of the City other than those of the Community Facilities District, the City failed to file required notices of rating downgrades with respect to certain insured obligations and failed to timely file its 2009 and 2010 audited financial statements with respect to certain obligations. Additionally, in connection with the City's 2006 and 2005 wastewater revenue bonds, the City failed to file certain required notices of ratings changes. With respect to the continuing disclosure undertaking the City entered into with respect to the Modesto Irrigation District Financing Authority's Domestic Water Project Revenue Bonds Series 2007F (Index Rate) (the "Domestic Water Bonds"), the City did not, in certain years, properly associate its comprehensive annual financial reports and budgets with the applicable CUSIP numbers for the Domestic Water Bonds. The City represents that all corrective filings will be made prior to the issuance of the Bonds.

Other than as disclosed in this Official Statement, within the last five years, neither the City nor the Community Facilities District has failed to timely comply with their prior continuing disclosure obligations under Rule 15c2-12(b)(5) in all material respects. The full text of the form of Disclosure Agreement is set forth in APPENDIX E.

TAX EXEMPTION

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of the Bonds is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds (including any original issue discount) is based upon certain representations of fact and certifications made by the Community Facilities District, the Underwriter and others and is subject to the condition that the Community Facilities District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds (including any original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Community Facilities District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE

CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Although Bond Counsel has rendered an opinion that interest on the Bonds (including any original issue discount) is excluded from gross income for federal income tax purposes provided that the Community Facilities District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds (including any original issue discount) may otherwise affect the tax liability of the recipient. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

The proposed form of Bond Counsel's opinion with respect to the Bonds is attached as APPENDIX B.

LEGAL OPINION

The legal opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, approving the validity of the Bonds in substantially the form set forth as APPENDIX B hereto, will be made available to purchasers at the time of original delivery. Certain legal matters will be passed upon for the City and the Community Facilities District by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds and a certificate of the Community Facilities District to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. Neither the City nor the Community Facilities District is aware of any litigation pending or threatened which questions the existence of the Community Facilities District or the City or contests the authority of the Community Facilities District to levy and collect the Special Taxes or to issue and retire the Bonds.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") is expected to assign its municipal bond rating of "AA" to the Insured Bonds based upon the expected delivery of the Policy by AGM at the time of issuance of the Insured Bonds (see "BOND INSURANCE" herein). The Bonds, other than the Insured Bonds, are not insured by the Policy. Standard & Poor's has assigned the Bonds the rating of "BBB-" notwithstanding the delivery of the Policy. Such ratings reflect only the views of Standard & Poor's and an explanation of the significance of such ratings may be obtained from Standard & Poor's. There is no assurance that such ratings will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by such organization, if in its judgment

circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed, pursuant to a purchase contract by and between the Community Facilities District and the Underwriter (the "Purchase Contract"), to purchase all of the Bonds for a purchase price of $30,598,326.76 (which is equal to the principal amount thereof plus net original issue premium of $1,472,057.05, less Underwriter's discount of $193,730.29).

The Purchase Contract related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth therein, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, Nossaman LLP, as counsel to the Underwriter, the Trustee and the Escrow Bank are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

NEW LEGISLATION

The Community Facilities District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the Community Facilities District to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representatives of fact.

The distribution of this Official Statement has been authorized by the Community Facilities District.

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

By: /s/ Garrad Marsh
Its: Mayor

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APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place)

are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Trust Indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final

Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or "Net Taxable Acre" means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that

fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels. "Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

**** All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.***

1. <u>Original Parcels</u>

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of approval of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. <u>Successor Parcels</u>

a. All Successor Parcels are Single Family Detached Lots

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map

includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. No Successor Parcels are Single Family Detached Lots

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class

so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per- Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. Some, But Not All, Successor Parcels are Single Family Detached Lots

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not

available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond

interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (*the "**Defeasance Requirement**"*).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "**Administrative Fees and Expenses**"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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**"*).

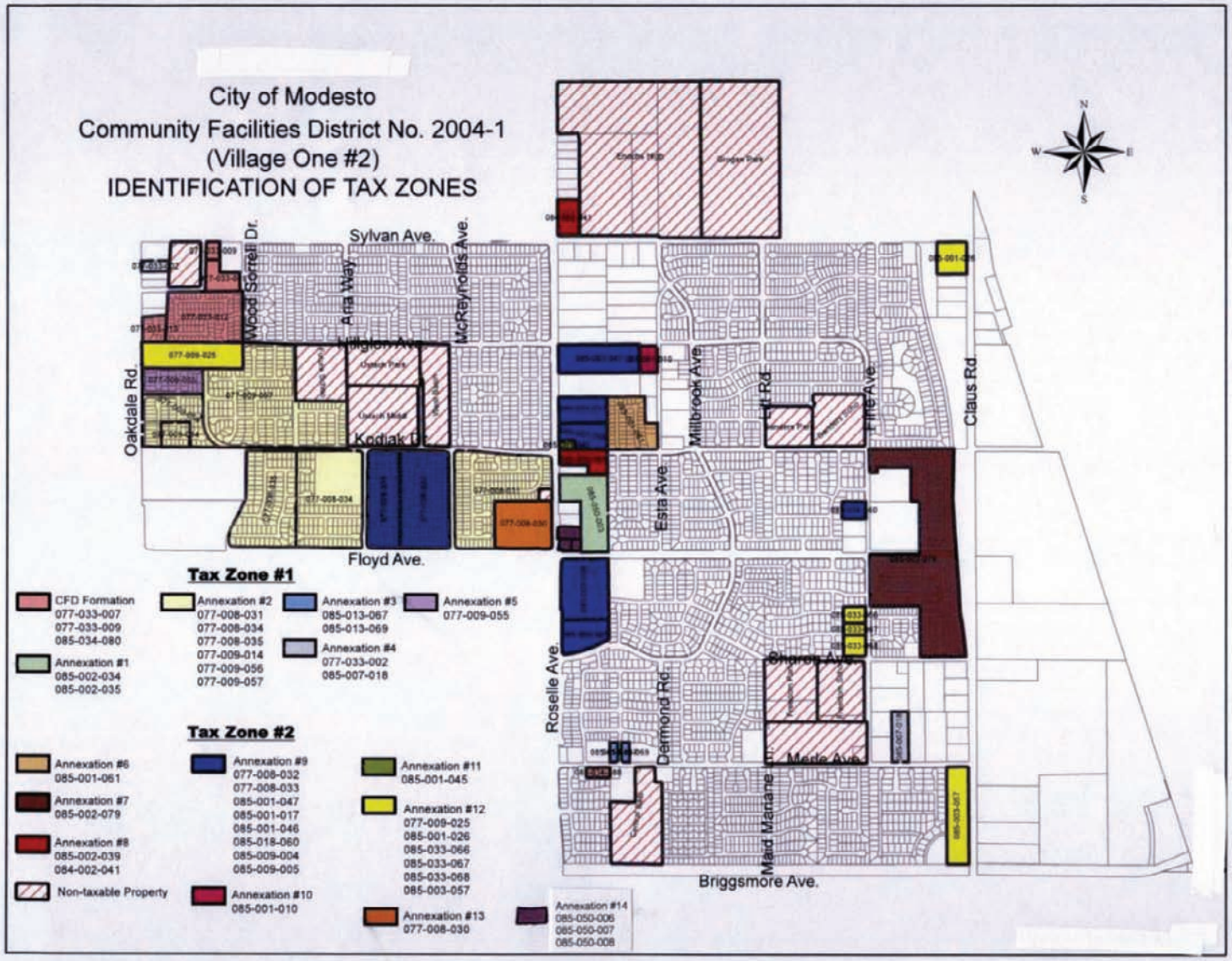
Step 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the "**Prepayment Amount**"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1



ATTACHMENT 2
City of Modesto
Facilities District No. 2004-1
(Village One #2)
Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential	16.23	$491,461	$103,953	$20,012
			Commercial	3.24	$168,810	$11,567	$2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,013	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential	14.82	$448,765	$94,923	$18,274
			Multi Family	10.60	$1,075,233	$76,554	$42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,291
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139
6	2	085-001-061	Village Residential	8.41	$373,648	$53,866	$10,370
7	2	085-002-079	Village Residential	38.35	$2,686,145	$250,948	$71,398
8	2	085-050-001	Village Residential	3.47	$154,169	$22,225	$4,279
8	2	084-002-041	Commercial	2.86	$218,914	$10,223	$2,635
9	2	077-008-032	Village Residential	31.59	$1,403,512	$202,334	$38,950
9	2	077-008-033	Village Residential				
9	2	085-001-047	Village Residential	8.37	$371,871	$53,610	$10,320
9	2	085-001-017	Village Residential	4.61	$204,818	$29,527	$5,684
9	2	085-001-046	Village Residential	4.06	$180,382	$26,004	$5,006
9	2	085-018-060	Village Residential	1.52	$67,532	$9,736	$1,874
9	2	085-009-004	Commercial	11.03	$843,199	$39,377	$10,148
9	2	085-009-005	Multi Family	5	$507,185	$36,110	$20,100
10	2	085-001-010	Village Residential	1.84	$81,749	$11,785	$2,269
11	2	085-001-045	Village Residential	0.49	$21,770	$3,138	$604
12	2	077-009-025	Village Residential	9.63	$427,851	$61,680	$11,874
12	2	085-001-026	Commercial	3.48	$266,032	$12,424	$3,202
12	2	085-033-066	Village Residential	1.35	$59,979	$8,647	$1,665
12	2	085-033-067	Village Residential	0.97	$43,096	$6,213	$1,196
12	2	085-033-068	Village Residential	1.72	$76,418	$11,017	$2,121
12	2	085-003-057	Village Residential	3.33	$147,949	$21,329	$4,106
13	2	077-008-030	Multi Family	10.04	$1,494,273	$72,509	$40,361
14	2	085-050-06, 07, 08	Multi Family	1.66	$247,061	$11,974	$6,665

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.
2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.
3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council of the City of Modesto
Modesto, California

Re: *$29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Modesto taken in connection with the formation of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and the authorization and issuance of the District's 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. 2014-272 (the "Resolution of Issuance"), adopted by the City Council (the "City Council") of the City of Modesto (the "City") on July 1, 2014, and by a Trust Indenture dated as of July 1, 2014 (the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee. All capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated the date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each September 1 and March 1, commencing on March 1, 2015, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture redeemable in the amounts, at the times and in the manner provided for in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the City Council on behalf of the District. The Indenture creates a valid pledge of, and the Bonds are secured by the Net Special Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) will be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals or corporations (as described in paragraph (3) above) and is exempt from State of California personal income tax.

(6) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in

such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

Respectfully submitted,

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APPENDIX C

GENERAL INFORMATION CONCERNING THE REGION

Information in this Appendix has been assembled from various sources believed to be reliable; however, the District does not warrant the accuracy or thoroughness of this information.

General

Stanislaus County (the "County") is located approximately 90 miles east of San Francisco and 75 miles south of Sacramento. The County is bordered by San Joaquin County on the north, Calaveras and Tuolumne counties on the east, Merced County on the south, and Santa Clara County on the west. The County is located in the Central Valley of California, one of the fastest-growing areas in the State.

Agriculture and agricultural-related industries, such as food processing, are the major industries in the County. The County also has large and growing services, retail trade and manufacturing employment sectors.

U.S. Interstate Highway 5 and State Highway 99 provide the County with access to the rest of California and the western United States. The County is served by long and short-haul trucking firms, as well as by trains and buses. Major rail lines of the Union Pacific and Santa Fe railroad systems serve the County, including daily scheduled Amtrak service. International shipping facilities are available in Stockton, 26 miles north of Modesto.

Population

The following table shows the historical population estimates in the City and the County between 2002 and 2014.

POPULATION ESTIMATES
City of Modesto, Stanislaus County and the State of California
2002-2014

Year[1]	*City of Modesto Population*	*Stanislaus County Population*	*State of California Population*
2002	197,280	468,340	34,725,516
2003	200,748	478,283	35,163,609
2004	202,903	486,639	35,570,847
2005	201,980	494,144	35,869,173
2006	200,872	500,780	36,116,202
2007	200,866	505,959	36,399,676
2008	200,941	509,389	36,704,375
2009	201,331	511,226	36,966,713
2010	201,911	514,003	37,253,956
2011	201,713	516,244	37,427,946
2012	203,085	519,940	37,678,563
2013	205,562	523,038	37,984,138
2014	206,785	526,042	38,340,074

(1) January 1 data.
Source: California State Department of Finance, Demographic Research Unit. March 2010 Benchmark.

Income

The following tables show the personal income and per capita personal income for the County, State of California and United States from 2006-2012.

PERSONAL INCOME
County of Stanislaus, State of California, and United States
2006-2012

Year	*County of Stanislaus*	*California*	*United States*
2006	15,050,420	1,449,451,517	11,376,460,000
2007	15,801,138	1,564,440,661	11,990,244,000
2008	15,857,505	1,596,281,897	12,429,284,000
2009	15,697,151	1,536,429,610	12,073,738,000
2010	16,232,916	1,579,148,473	12,423,332,000
2011	17,095,084	1,683,203,700	13,179,561,000
2012	17,810,902	1,768,039,281	13,729,063,000

Note: Dollars in Thousands.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PER CAPITA PERSONAL INCOME[1]
County of Stanislaus, State of California, and United States
2006-2012

Year	*County of Stanislaus*	*California*	*United States*
2006	29,823	41,627	38,127
2007	31,115	43,157	39,804
2008	31,152	43,609	40,873
2009	30,686	41,569	39,357
2010	31,500	42,297	40,163
2011	33,005	44,666	42,298
2012	34,138	46,477	43,735

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
(2) Data is not yet available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The City is included in Modesto Metropolitan Statistical Area. The distribution of employment in the Modesto area is presented in the following table for the calendar years 2009 through 2013. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the City.

INDUSTRY EMPLOYMENT & LABOR FORCE
Modesto Metropolitan Division
2009-2013[1]

Category	*2009*	*2010*	*2011*	*2012*	*2013*
Total Farm	12,900	12,900	12,900	13,300	14,000
Total Nonfarm	146,800	146,300	147,300	148,700	156,500
Total Private	121,000	120,100	121,900	123,300	131,000
Goods Producing	27,500	26,600	26,600	27,000	27,600
Mining, Logging and Construction	6,600	5,900	5,900	6,300	6,900
Manufacturing	20,900	20,700	20,800	20,800	20,600
Durable Goods	6,200	5,900	5,900	6,000	6,200
Nondurable Goods	14,600	14,800	14,900	14,800	14,500
Service Providing	119,300	119,800	120,600	121,700	128,900
Private Service Producing	93,500	93,500	95,200	96,300	103,400
Trade, Transportation and Utilities	31,400	31,600	33,000	33,400	34,800
Wholesale Trade	6,100	5,900	5,800	5,800	5,900
Retail Trade	19,500	19,500	20,500	20,700	21,700
Transportation, Warehousing and Utilities	5,700	6,200	6,700	6,800	7,200
Information	1,300	1,200	1,100	1,000	900
Financial Activities	5,600	5,500	5,400	5,400	5,400
Professional and Business Services	13,200	12,500	12,400	12,800	13,200
Educational and Health Services	22,200	23,200	23,800	24,000	28,300
Leisure and Hospitality	14,700	14,600	14,700	14,900	15,700
Other Services	5,200	5,100	4,800	4,900	5,000
Government	25,800	26,200	25,400	25,400	25,500
Total, All Industries	159,700	159,200	160,200	162,000	170,400

[1] Annual averages, unless otherwise specified

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2013 Benchmark.

The following table summarizes civilian labor force, employment, and unemployment in the County from 2008 to 2013.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Stanislaus County
2008-2013

Year and Area	*Labor Force*	*Employment*[1]	*Unemployment*[2]	*Unemployment Rate (%)*[2]
2008				
City of Modesto	100,300	90,900	9,500	9.5%
Stanislaus County	232,000	206,500	25,500	11.0
State of California	18,207,300	16,893,900	1,313,500	7.2
2009				
City of Modesto	100,800	87,000	13,800	13.7%
Stanislaus County	234,900	197,700	37,200	15.8
State of California	18,220,100	16,155,000	2,065,100	11.3
2010				
City of Modesto	103,100	87,700	15,400	15.0%
Stanislaus County	240,900	199,300	41,500	17.2
State of California	18,336,300	16,068,400	2,267,900	12.4
2011				
City of Modesto	102,800	87,900	14,900	14.5%
Stanislaus County	239,800	199,700	40,000	16.7
State of California	18,417,900	16,249,600	2,168,300	11.8
2012				
City of Modesto	103,000	89,600	13,400	13.0%
Stanislaus County	239,700	203,600	36,200	15.1
State of California	18,519,900	16,589,700	1,929,300	10.4
2013				
City of Modesto	102,700	91,200	11,500	11.2%
Stanislaus County	238,200	207,300	31,000	13.0
State of California	18,596,800	16,933,300	1,663,500	8.9

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
(1) Includes persons involved in labor-management trade disputes.
(2) Includes all persons without jobs who are actively seeking work.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2010 Benchmark.

Largest Employers

The table below lists the largest employers in the County as of June 30, 2013.

LARGEST EMPLOYERS
Stanislaus County
2013

Employer	*Type of Business*	*Employment*
Stanislaus County	County government	3,890
E&J Gallo Winery	Wines	3,181
Modesto City Schools	Education	3,002
Memorial Medical Center	Health care	2,959
Seneca Foods	Food products	2,200
Doctors Medical Center	Health care	2,085
Stanislaus Food Products	Food Products	1,922
Kaiser Permanente	Health care	1,759
Del Monte Foods	Fruit products	1,700

Source: County of Stanislaus Comprehensive Annual Financial Report for the year ending June 30, 2013

The table below lists the largest employers in the City as of June 30, 2013.

LARGEST EMPLOYERS
City of Modesto
2013

Employer	*Type of Business*	*Employment*
E&J Gallo Winery	Wines	3,181
Modesto City Schools	Education	3,002
Memorial Medical Center	Health Care	2,959
Seneca	Fruit Products	2,200
Doctors Medical Center	Health Care	1,962
Stanislaus Food Products	Food Products	1,922
Kaiser Permanente	Health Care	1,759
Del Monte Foods	Food Products	1,700
City of Modesto	Government	1,325
Modesto Junior College	Education	1,322

Source: City of Modesto Comprehensive Annual Financial Report for the year ending June 30, 2013.

Commercial Activity

The County is the principal commercial center for a large region extending into San Joaquin County to the north, Merced County to the south, and Tuolumne County and other Sierra foothill communities to the east.

The tables below are a historical summary of taxable transactions in Stanislaus County and the City from 2005 to 2012.

TAXABLE SALES
Stanislaus County
2005-2012
(Dollars in Thousands)

	Retail Permits	*Retail Stores Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2005	5,420	5,143,024	11,127	7,285,900
2006	5,373	5,268,389	10,903	7,352,532
2007	5,335	5,092,753	10,887	7,135,883
2008	5,636	4,585,837	10,928	6,728,692
2009	6,364	3,925,638	9,644	5,847,057
2010	6,612	4,112,697	9,881	6,098,614
2011	6,521	4,394,011	9,717	6,662,466
2012	6,649	4,709,642	9,761	7,178,273

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

TAXABLE SALES
City of Modesto
2005-2012
(Dollars in Thousands)

	Retail Permits	*Retail Stores Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2005	2,390	2,347,430	4,440	2,748,009
2006	2,342	2,282,910	4,347	2,678,425
2007	2,337	2,150,803	4,360	2,565,624
2008	2,426	1,935,011	4,333	2,411,879
2009	2,544	1,711,777	3,758	2,259,771
2010	2,639	1,742,796	3,817	2,356,698
2011	2,594	1,848,808	3,725	2,535,072
2012	2,624	1,445,932	3,716	2,614,619

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The following tables summarize building permits and construction valuation in the County and in the City from 2007 to 2013.

BUILDING PERMITS AND VALUATIONS
Stanislaus County
2007-2013

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Valuation ($000)							
Residential	$791,439	$929,475	$521,231	$343,247	$117,431	$94,420	$95,116
Non-Residential	291,922	335,783	349,715	304,736	235,855	186,408	138,233
Total	$1,083,361	$1,265,258	$870,946	$647,983	$353,286	$280,828	$233,349
Dwelling Units							
Single Family	4,106	4,489	2,276	1,202	468	167	292
Multiple Family	497	234	134	555	19	116	42
Total	4,603	4,723	2,410	1,757	487	283	334

Note: Columns may not add to totals because of independent rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
City of Modesto
2007-2013

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Valuation ($000)							
Residential	$105,903	$ 41,914	$ 98,663	$ 98,755	$31,074	$27,686	$13,865
Non-Residential	124,455	115,427	86,922	101,993	54,238	31,140	43,908
Total	$230,358	$301,003	$185,585	$200,748	$85,312	$58,826	$57,773
Dwelling Units							
Single Family	344	868	386	285	113	8	15
Multiple Family	295	20	15	290	0	10	30
Total	639	888	401	575	113	18	45

Note: Columns may not add to totals because of independent rounding.
Source: Construction Industry Research Board.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain definitions and provisions of the Indenture which are not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

DEFINITIONS

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

"Administration Fund" means that certain fund by that name established pursuant to the Indenture.

"Administrative Expenses Cap" means $45,000 per Fiscal Year escalating two percent (2%) each Fiscal Year beginning in Fiscal Year 2014-15; provided that the District may, in its sole discretion, fund Administrative Expenses, without limitation, from any other funds available to the District, including the Surplus Fund.

"Administrative Expenses" means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys' fees and other costs related thereto, the fees and expenses of the Trustee and any Special Tax Consultant to the District, any costs related to the District's compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by the City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District under the Indenture.

"Alternative Penalty Account" means the account by that name created and established in the Rebate Fund pursuant to the Indenture.

"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 investments, if and to the extent the same are at the time legal for investment of the District's funds (the Trustee is entitled to rely upon investment direction from the District as a certification such investment is an Authorized Investment):

(a) Federal Securities;

(b) Senior debt obligations, participations, or other instruments issued by a federal agency or United States government-sponsored enterprise, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises (stripped securities are only permitted if they have been stripped by the agency itself);

(c) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933 and having a rating of AAA or better by a Nationally Recognized Statistical Rating Organization (NRSRO), including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for

services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(d) Certificates of deposit secured at all times by collateral described in (a) and (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party or the Trustee and the Trustee on behalf of the Bond Owners must have a perfected first security interest in the collateral;

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase that is rated at least A-1 or its equivalent by a NRSRO and maturing no more than 360 days after the date of purchase (i.e., ratings on holding companies are not considered as the rating of the bank);

(g) Commercial Paper rated, at the time of purchase, at least A-1 or its equivalent by a NRSRO and maturing no more than 270 days after the date of purchase;

(h) Repurchase agreements with financial institutions insured by the FDIC; or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or a bank or other financial institution rated in the top two rating categories by one or more Rating Agencies; provided that: (i) the over-collateralization is at one hundred two percent (102%), computed weekly, consisting of such securities as described in this section, items (a) through (c); (ii) a third party custodian, the Trustee or the Federal Reserve Bank shall have possession of such obligations; (iii) the Trustee shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(i) County or State-administered pooled investment funds in which the District is statutorily permitted or required to invest to the extent that any amounts are deposited by the Trustee into such funds and the Trustee shall have direct access to such fund;

(j) California Asset Management Program (CAMP).

"Bond Counsel" means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"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.

"Bond Year" means the twelve (12) month period commencing on September 2 of each year and ending on September 1 of the following year, and for the first Bond Year commencing on the Delivery Date and ending on September 1, 2014.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond is registered.

"Bonds" means the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds issued in the original principal amount of $29,320,000.

"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 Officer" means a written certificate executed by one of the Mayor, City Manager and Director of Finance of the City, or their written designees.

"City" means the City of Modesto, California.

"City Council" means the City Council of the City.

"Code" means the Internal Revenue Code of 1986, together with any amendments thereto.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement, dated July 1, 2014, by and between the District and Goodwin Consulting Group, Inc., as dissemination agent thereunder.

"Corporate Trust Office" means the Corporate Trust Office of the Trustee at 400 South Hope Street, Suite 400, Los Angeles, California 90071, Attention: Corporate Trust, or such other office designated by the Trustee from time to time.

"Costs of Issuance" means the costs and expenses incurred in connection with the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and the preliminary and final Official Statements, financial consultants, special tax consultants and other fees and expenses set forth in a Certificate of an Authorized Officer.

"County" means the County of Stanislaus, California.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"Delivery Date" means the date on which the Bonds were issued and delivered to the initial purchasers thereof.

"Depository" means the securities depository acting as Depository under the Indenture.

"Dissemination Agent" means Goodwin Consulting Group, Inc., and any successor thereto.

"District" means City of Modesto Community Facilities District No. 2004-1 (Village One #2) established pursuant to the Act and the Resolution of Formation.

"EMMA" means the Electronic Municipal Market Access System, a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org).

"Escrow Agreement" means the Escrow Agreement, by and between The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, and the District, dated as of July 1, 2014.

"Escrow Bank" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Fund" means the Escrow Fund established under the Escrow Agreement.

"Extraordinary Administrative Expenses" means Administrative Expenses required for extraordinary District events such as foreclosure actions against delinquent taxpayers within the District required to be prosecuted on an expedited basis pursuant to the Indenture, the approval and implementation of actions

requiring Bondowner consent under the Indenture, or actual or threatened Bondowner or property owner litigation arising out of the Bonds or the District.

"Federal Securities" means any of the following:

(1) Cash,

(2) Non-callable direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, or

(3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated,

(4) subject to the prior written consent of the Insurer (so long as the Insurer has not defaulted on any obligation under the Insurance Policy), pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, and

(5) subject to the prior written consent of the Insurer (so long as the Insurer has not defaulted on any obligation under the Insurance Policy), securities eligible for "AAA" defeasance under then existing criteria of S&P.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next following June 30.

"Gross Taxes" means the amount of all Special Taxes received by the District from the Treasurer, together with the net proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, penalties and interest received by the District in connection with the delinquency of such Special Taxes and proceeds from any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys' fees payable from such proceeds to the extent not previously paid as an Administrative Expense.

"Indenture" means the Bond Indenture, together with any Supplemental Indenture approved pursuant to the Indenture.

"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 District or the City, who, or each of whom:

(a) is in fact independent and not under the domination of the District or the City;

(b) does not have any substantial interest, direct or indirect, in the District or the City; and

(c) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to make annual or other reports to the District or the City.

"Insurance Policy" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

"Insured Bonds" means the Bonds maturing on September 1, 2036.

"Insurer" means Assured Guaranty Municipal Corp., a New York financial guaranty insurance company, or any successor thereto or assignee thereof.

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2015; 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 succeeding such date.

"Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds by adding the following for each Bond Year:

(1) the principal amount of all Outstanding Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and

(2) the interest payable on the aggregate principal amount of the Bonds Outstanding in such Bond Year if the Bonds are retired as scheduled.

"Net Special Taxes" means Gross Taxes minus amounts, not in excess of the Administrative Expenses Cap, set aside to pay Administrative Expenses.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

"Ordinance" means Ordinance No. 3345-C.S. adopted by the City Council, acting as the legislative body of the District on April 6, 2004 providing for the levying of the Special Tax.

"Outstanding" or "Outstanding Bonds" means all Bonds theretofore issued by the District, except:

(1) Bonds theretofore cancelled or surrendered for cancellation in accordance with the Indenture;

(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 the Indenture; and

(3) Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to the Indenture or for which a replacement has been issued pursuant to the Indenture.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds the Bonds as a securities depository.

"Person" means natural persons, firms, corporations, partnerships, associations, joint ventures, trusts, public bodies and other entities.

"Rating Agency" means Moody's Rating Service and Standard & Poor's or both, as the context requires.

"Rate and Method of Apportionment" means that certain Rate and Method of Apportionment of Special Tax approved pursuant to the Resolution of Formation as it may be amended from time to time in accordance with the Act and the Indenture.

"Rebatable Arbitrage" means the amount (determinable as of the last day of each fifth Bond Year and upon retirement of the Bonds) of arbitrage profits payable to the United States at all times and in the amounts specified in Section 148(f) of the Code and any applicable Regulations.

"Rebate Regulations" means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

"Record Date" means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

"Regulations" means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

"Representation Letter" shall mean the Blanket Letter of Representations from the District to the Depository as described in the Indenture.

"Reserve Requirement" means that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds, if any, (ii) Maximum Annual Debt Service on the then Outstanding Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds.

"Resolution of Formation" means, Resolution No. 2004-199 adopted by the City Council on April 6, 2004, pursuant to which the City formed the District.

"Resolution of Issuance" means Resolution No. 2014-272 duly adopted by the City Council, acting in its capacity as the legislative body of the District on July 1, 2014, approving the Indenture, and any supplemental bond indenture approved pursuant to the Indenture.

"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 schedules set forth in the Indenture.

"Special Tax Prepayments" means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method of Apportionment.

"Special Taxes" means the Annual Facilities Special Tax (as defined in the Rate and Method of Apportionment) authorized to be levied by the District in accordance with the Ordinance, the Resolution of Formation, the Act and the Rate and Method of Apportionment.

"Special Tax Fund" means the fund by that name established pursuant to the Indenture.

"Supplemental Indenture" means any supplemental indenture amending or supplementing the Indenture.

"Surplus Fund" means the fund by that name established pursuant to the Indenture.

"Tax Certificate" means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

"Taxable Property" means the area within the boundaries of the District which is not exempt from application of the Special Tax by operation of law or the Rate and Method of Apportionment.

"Treasurer" means the Treasurer-Tax Collector of the County of Stanislaus.

"Term Bonds" means the Bonds maturing on September 1, 2036.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and any successor thereto.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated.

BOND TERMS

Type and Nature of Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District 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 or special obligations of the City or general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described in the Indenture. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds 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 Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums 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 District's property, or upon any of its income, receipts or revenues, except the Net Special Taxes and other amounts in the Special Tax Fund which are, under the terms of the Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District or 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 the Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Special Taxes for the payment of the interest on or the principal of the Bonds or for the performance of any covenants contained in the Indenture. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Equality of Bonds and Pledge of Net Special Taxes. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Taxes and any other amounts held in the Special Tax Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Pursuant to the Act and the Indenture, the Bonds shall be equally payable from the Net Special Taxes and other amounts in the Special Tax 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 and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. 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 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 the Indenture or any Supplemental Indenture. Notwithstanding any provision contained in the Indenture to the contrary, Net Special Taxes deposited in the Rebate Fund or the Surplus Fund shall no longer be considered to be pledged to the Bonds, and none of the

Rebate Fund, the Costs of Issuance Fund, the Surplus Fund or the Administration Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in the Indenture or any Supplemental Indenture shall preclude, subject to the limitations contained under the Indenture, 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.

Bond Register. The Trustee will keep or cause to be kept, at the Corporate Trust Office, sufficient books for the registration and transfer of the Bonds which shall be open to inspection by the District during all regular business hours upon reasonable prior notice, and, 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 provided in the Indenture.

The District 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 District and the Trustee shall not be affected by any notice to the contrary. The District 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.

Registration of Exchange or Transfer. Subject to the limitations of 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 Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. 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 District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, as applicable, 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.

Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond shall become mutilated, the District, at the expense of the Bondowner, 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 the Indenture. 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 District, at the expense of the Bondowner, shall execute and the Trustee shall authenticate and deliver, a new Bond 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 of the Indenture with all other Bonds issued under the Indenture. 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 under the Indenture or for the purpose of determining any percentage of Bonds Outstanding under the Indenture, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision

of the Indenture, 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 upon receipt of indemnification satisfactory to the Trustee.

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 District 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.

CREATION OF FUNDS AND APPLICATION OF PROCEEDS AND NET TAXES

Creation of Funds. There is created and established and to be maintained by the Trustee under the Indenture the following funds and accounts:

(1) The Community Facilities District No. 2004-1 Special Tax Fund (the "Special Tax Fund") in which there is established and created, a Debt Service Account, a Redemption Account and a Reserve Account;

(2) The Community Facilities District No. 2004-1 Rebate Fund (the "Rebate Fund") in which there is established a Rebate Account and an Alternative Penalty Account; and

(3) The Community Facilities District No. 2004-1 Costs of Issuance Fund (the "Costs of Issuance Fund")

The amounts on deposit in the foregoing funds and accounts shall be held by the Trustee; and the Trustee shall invest and disburse the amounts in such funds and accounts in accordance with the provisions of the Indenture and shall disburse investment earnings thereon in accordance with the provisions of the Indenture.

Deposits to and Disbursements from Special Tax Fund. The Director of Finance shall, no later than the last day of each month during which the Special Taxes are received by the District, transfer the Special Taxes net of (a) Special Tax Prepayments (which amounts shall immediately be transferred by the Director of Finance to the Trustee for deposit into the Redemption Account of the Special Tax Fund to be applied in accordance with the Indenture) and (b) an amount for Administrative Expenses up to the Administrative Expense Cap (which amount shall be deposited in the Administration Fund), to the Trustee for deposit in the Special Tax Fund for the Bonds, to be held in trust by the Trustee in the Special Tax Fund. Notwithstanding the foregoing, no more than half of the amount of Administrative Expenses up to half of the Administrative Expense Cap (plus Extraordinary Administrative Expenses in the event there are Extraordinary Administrative Expenses) levied for the current Fiscal Year shall be deposited in the Administration Fund until the earlier of (i) the date moneys on deposit in the Debt Service Account of the Special Tax Fund are sufficient to pay debt service on the Bonds on March 1 of such Fiscal Year, or (ii) March 2 of such Fiscal Year. The Trustee will then transfer the money on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(1) The Debt Service Account of the Special Tax Fund;

(2) The Reserve Account of the Special Tax Fund;

(3) Rebate Fund; and

(4) Surplus Fund.

At the maturity of all Bonds and, after all principal and interest then due on the Bonds then Outstanding has been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Administration Fund. There is established as a separate fund to be held by the Director of Finance the Administration Fund. Moneys in the Administration Fund may be invested in any Authorized Investments, provided that the maturity or maturities thereof shall not exceed 30 days from the date of purchase. Moneys on deposit in the Administration Fund shall be withdrawn by the Director of Finance and paid to the City or its order upon receipt by the Director of Finance of a Certificate of Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of the Administrative Expense.

Debt Service Account of the Special Tax Fund. The principal or Sinking Fund Payment of, and interest on, the Bonds until maturity shall be paid by the Trustee from amounts transferred to the Debt Service Account of the Special Tax Fund. For the purpose of assuring that the payment of principal or Sinking Fund Payment of and interest on, the Bonds will be made when due, at least one Business Day prior to each Interest Payment Date, the Trustee shall make the following transfers to the Debt Service Account; provided, however, that to the extent that deposits have been made in the Debt Service Account from the proceeds of the sale of the Bonds, or otherwise, or to the extent that a transfer will be made from the Reserve Account to the Debt Service Account in accordance with the Indenture, the transfer from the Special Tax Fund need not be made: an amount such that the balance in the Debt Service Account one (1) Business Day prior to each Interest Payment Date shall be equal to the installments of interest, principal and Sinking Fund Payments due on the Bonds on said Interest Payment Date. Moneys in the Debt Service Account shall be used for the payment of the interest, principal and Sinking Fund Payments of the Bonds as the same become due.

Redemption Account of the Special Tax Fund.

(a) After making the deposit to the Debt Service Account of the Special Tax Fund above and in accordance with the District's election to call Bonds for optional redemption as set forth in the Indenture, 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 of and interest on the Bonds called for redemption, and the premiums payable as provided in the Indenture on the Bonds called for optional redemption one (1) Business Day prior to the redemption date; provided, however, that Net Special Taxes may be applied to optionally redeem Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(b) Special Tax Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to the Indenture for the use of such Special Tax Prepayments to the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed with such Special Tax Prepayments.

(c) 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 and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds; provided, however, in lieu or partially in lieu of such call and redemption, upon receipt by the Trustee of written direction of the District to purchase Bonds, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds in the manner provided in the Indenture. Purchases of Outstanding Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, or, in the case of purchases to be made from funds to be applied to a redemption pursuant to the Indenture, par plus accrued interest, plus premium, if any, in the case of moneys set aside for an optional redemption. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement.

Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that the moneys in the Debt Service Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to the Indenture upon written direction from the District; provided, however, amounts in the Reserve Account may be applied to pay the principal and interest due on any Bonds in the final Bond Year in which any Bonds are Outstanding. If the amounts in the Debt Service Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on the Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account for deposit in the Debt Service Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes. Following any transfer to the Debt Service Account of the Special Tax Fund or to the Rebate Fund as described above, the District shall then take the steps necessary to cause to be deposited to the Reserve Account the amount needed to replenish the Reserve Account to the Reserve Requirement by transferring such amount from Special Taxes held by the Treasurer or, if the District so elects, by including such amount in the next annual Special Tax levy to the extent of the permitted maximum Special Tax rates.

Notwithstanding anything in the Indenture to the contrary, whenever moneys are withdrawn from the Reserve Account, after making the required transfers pursuant to the Indenture, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund the amount needed to restore the amount of such account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Debt Service Account of the Special Tax Fund. In no event shall amounts in the Reserve Account be used to pay fees or expenses of the Trustee or its counsel.

In connection with a redemption of Bonds pursuant to the Indenture, or a defeasance of Bonds in accordance with the Indenture, amounts in the Reserve Account shall be applied to such redemption or defeasance so long as the amount on deposit in the Reserve Account following such redemption or any partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Officer the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

Notwithstanding any provision in the Indenture to the contrary, moneys in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account on the Business Day before each Interest Payment Date and transferred to the Debt Service Account to be applied to the interest on the Bonds on the next Interest Payment Date.

The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained under the Indenture designated as the Rebate Fund and shall establish a separate Rebate Account and Alternative Penalty Account tin the Indenture. The District shall cause to be deposited in the Rebate Fund such amounts as required under the Tax Certificate. All money at any time deposited in the Rebate Account or the Alternative Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the

United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by the Indenture and the Tax Certificate.

Without limiting the generality of the foregoing, the District agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final treasury regulations as may be applicable to the Bonds from time to time, which the District covenants to pay or cause to be paid to the United States at the times and in the amounts determined under the Tax Certificate. The Trustee agrees to comply with all instructions given to it by the District in accordance with this covenant. The Trustee shall conclusively be deemed to have complied with the provisions of the Indenture if it follows the instructions of the District and shall not be required to take any actions under the Indenture in the absence of instructions from the District. The Trustee may rely conclusively upon the District's determinations, calculations and certifications required by this Section in the Indenture. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District's calculations under the Indenture.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds after payment in full of such issue and after making the payments required to comply with the Indenture and the Tax Certificate may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in the Indenture to the contrary, the obligation to comply with the requirements of the Indenture shall survive the defeasance and final payment of the Bonds.

(d) Amendment Without Consent of Owners. This section of the Indenture may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax exempt basis. Notwithstanding any provision of the Indenture, if the District shall provide to the Trustee an opinion of a nationally recognized bond or tax counsel that any specified action required under the Indenture is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds, the Trustee and the District may conclusively rely on such opinion in complying with the requirements of this paragraph, and the covenants under the Indenture shall be deemed to be modified to that extent.

Costs of Issuance Fund.

(a) The moneys in the Costs of Issuance Fund shall be applied exclusively to pay the Costs of Issuance for the Bonds. Amounts for Costs of Issuance shall be disbursed from the Costs of Issuance Fund by the Trustee only upon receipt of a sequentially numbered written requisition, substantially in the form attached to the Indenture from the Director of Finance or such other person as is designated in writing to the Trustee by the legislative body of the District. Each such written requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(b) Upon the receipt of a Certificate of an Authorized Officer that all or a specified portion of the amount remaining in the Costs of Issuance Fund is no longer needed to pay Costs of Issuance, respectively, the Trustee shall transfer all or such specified portion of the moneys remaining on deposit in such account to the Debt Service Account of the Special Tax Fund. Any moneys remaining in the Cost of Issuance Fund on December 1, 2014 shall be transferred to the Debt Service Account of the Special Tax Fund.

Surplus Fund. There is created and established under the Indenture the "Surplus Fund," to be held by the Director of Finance. After making the transfers required by the Indenture, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the District for

deposit in the Surplus Fund. Moneys deposited in the Surplus Fund may be transferred by the District (i) to the Trustee for deposit in the Debt Service Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, and interest on the Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, (ii) to the Trustee for deposit in the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement, (iii) to the Administration Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administration Fund are insufficient to pay Administrative Expenses, or (iv) may be used by the District for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds, the District shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Authorized Investments at a Yield not in excess of the Yield on the Bonds, unless, in the opinion of Bond Counsel, investment at a higher Yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

Investments. Moneys held in any of the Funds and Accounts under the Indenture shall be invested by the Trustee at the written direction of the District 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 and Accounts. Any loss resulting from such Authorized Investments shall be charged to the Fund or Account from which such investment was made, and any investment earnings on a Fund or Account shall be applied as follows: (i) investment earnings on all amounts deposited in the Costs of Issuance Fund shall be deposited in that Fund, (ii) investment earnings on all amounts in the Rebate Fund shall be deposited in that Fund, (iii) investment earnings on all amounts deposited in the Reserve Account of the Special Tax Fund shall be used to satisfy the Reserve Requirement and any investment earnings not needed to satisfy the Reserve Requirement shall be withdrawn from the Reserve Account one (1) Business Day before each Interest Payment Date and transferred to the Debt Service Account as provided in the Indenture; and (iv) all other investment earnings shall be deposited in the Debt Service Account of the Special Tax Fund. Moneys in the Funds and Accounts held under the Indenture may be invested by the Trustee, upon the written direction of the District, from time to time, in Authorized Investments which written direction shall be made in accordance with the following restrictions:

(a) Moneys in the Accounts within the Costs of Issuance Fund shall be invested in Authorized Investments which will by their terms mature, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Costs of Issuance Fund.

(b) Moneys in the Debt Service Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature or 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.

(c) One-half of the amount in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments which mature not later than six (6) months from their date of purchase by the Trustee, and one-half of such amount shall be invested in Authorized Investments which mature not more than two (2) years from the date of purchase by the Trustee; provided that such amounts may be invested in an investment or repurchase agreement so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with the Indenture; and provided that no such Authorized Investment of amounts

in the Reserve Account allocable to the Bonds shall mature later than the respective final maturity date of the Bonds to which such amounts relate.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (a) of the definition in the Indenture which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to the Indenture.

The Trustee, at the direction of the District, shall sell, or present for redemption, any Authorized Investments so purchased 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, except that amounts in the Reserve Account shall be valued at the market value in the Indenture at least semiannually on or before each Interest Payment Date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of the Indenture.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell 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 the Indenture, 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 under the Indenture, but shall account for each separately. In the absence of written investment direction the Trustee shall hold such funds uninvested pending the receipt of written investment instructions. The Trustee may rely on the investment directions of the District as to the suitability and legality of the directed investments.

The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of security transactions to be effected by the Trustee under the Indenture as they occur. The District specifically waives the right to receive such confirmations to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Trustee under the Indenture; provided, however, that the District retains its right to receive brokerage confirmation on any investment transaction requested by the District.

COVENANTS AND WARRANTY

Warranty. The District shall preserve and protect the security pledged under the Indenture to the Bonds against all claims and demands of all persons.

Covenants. So long as any of the Bonds issued under the Indenture are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and the Indenture (to be performed by the District 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 District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

Punctual Payment; Against Encumbrances. The District covenants that it will receive all Gross Taxes in trust and will deposit the Gross Taxes with the Trustee, as provided in the Indenture, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by the Indenture. All such Gross Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other

resources of the District. Notwithstanding the provisions of this paragraph, as set forth in the Indenture, the District shall have the right to accept less than the minimum bid on any delinquent parcel, and is indemnified from legal claim for Owners of the Bonds, if the City Council determines that the acceptance of less than the minimum bid or another action as described in the Indenture is in the best interest of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued under the Indenture, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with the Indenture to the extent that Net Special Taxes are available therefor, and that the payments into the Funds and Accounts created under the Indenture will be made, all in strict conformity with the terms of the Bonds and the Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds issued under the Indenture.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Gross Taxes, except as provided in the Indenture, and (except as set forth in the Indenture) will not issue any obligation or security having a lien or charge upon the Net Special Taxes superior to or on a parity with the Bonds. Nothing in the Indenture shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Net Special Taxes to repay the Bonds.

Levy and Collection of Special Tax. Subject to the maximum Special Tax rates, the District will comply with all requirements of the Act so as to assure the timely collection of the Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or before each June 1, commencing June 1, 2015, the Trustee shall provide a written notice to the District stating the amounts then on deposit in the various Funds and Accounts established by the Indenture. The receipt of such notice by the District shall in no way affect the obligations of the District under the following paragraphs. Upon receipt of a copy of such notice, the District shall communicate with the Treasurer or other appropriate official of the County of Stanislaus to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The District shall retain an Independent Financial Consultant to assist in the levy of the Special Taxes each Fiscal Year, commencing Fiscal Year 2014-15, in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Treasurer of the County of Stanislaus will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, and approval by the legislative body of the District, the District shall prepare or cause to be prepared, and shall transmit to the Treasurer of the County of Stanislaus, such data as the Treasurer of the County of Stanislaus requires to include the levy of the Special Taxes on the next secured tax roll.

The District shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on Outstanding Bonds becoming due and payable during the ensuing year including any necessary replenishment or expenditure of the Reserve Account for the Bonds, an amount equal to the estimated Administrative Expenses and any additional amounts necessary for expenses incurred in connection with administration or enforcement of delinquent Special Taxes. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds are Outstanding, including the initiation of proceedings under the Act to reduce the Maximum Special Tax rates (the "Maximum Rates") on Taxable Property in the District below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Outstanding Bonds.

The Special Taxes shall be payable and 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 times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property; provided, the legislative body of the District may provide for direct collection of the Special Taxes in certain circumstances.

The fees and expenses of the Independent Financial Consultant retained by the District to assist in computing the levy of the Special Taxes under the Indenture and any reconciliation of amounts levied to amount received, as well as the costs and expenses of the District (including a charge for District staff time) in conducting its duties under the Indenture, shall be an Administrative Expense under the Indenture.

Commence Foreclosure Proceedings. Pursuant to Section 53356.1 of the Act, the District covenants in the Indenture with and for the benefit of the Bondowners that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than $5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question (ii) the balance on deposit in the Reserve Account of the Special Tax Fund is not less than the Reserve Requirement.

Special Taxes collected as a result of a foreclosure proceeding shall be deposited in the Special Tax Fund and only inure to the benefit of the Bonds in the manner provided in the Indenture.

Payment of Claims. The District 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 Special Taxes or any part in the Indenture, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds then Outstanding; provided however that nothing in the Indenture contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the improvements constructed with the proceeds of bonded indebtedness issued by the District, 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 Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

Federal Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds issued on a tax-exempt basis will not be adversely affected, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other monies or property which would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "private activity bonds" within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action

which will cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds issued on a tax-exempt basis for federal income tax purposes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and will comply with the covenants and requirements stated tin the Indenture and incorporated by reference in the Indenture.

Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in the Indenture or to limit the power of the District to levy the Special Taxes for the purposes set forth in the Indenture, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

Limitation on Right to Tender Bonds. The District covenants that it will not adopt any policy pursuant to Section 53341.1 of the Act permitting the tender of Bonds in full payment or partial payment of any Special Tax unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds when due.

Continuing Disclosure Covenant. The District covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the District to comply with its obligations under the Continuing Disclosure Agreement shall not be considered an event of default under the Indenture, and the sole remedy, in the event of any failure of the District to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Opinions. In the event that an opinion is rendered by Bond Counsel as provided in the Indenture from a firm other than the firm which rendered the Bond Counsel opinion at closing, such subsequent opinion by Bond Counsel shall also include the conclusions set forth in numbered paragraphs 1, 2, 3 and 4 of the original Bond Counsel opinion.

AMENDMENTS TO INDENTURE

Supplemental Indentures or Orders Not Requiring Bondowner Consent. The District 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 in the Indenture which may be inconsistent with any other provision in the Indenture, or to make any other provision with respect to matters or questions arising under the Indenture or in any Supplemental Indenture, 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 District contained in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Indenture as theretofore in effect or which further secure Bond payments;

(c) to modify, amend or supplement the Indenture in such manner as to permit the qualification in the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect after the issuance of the Bonds, or to comply with the Code or regulations issued under the Indenture, 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;

(d) to modify, alter or amend the Rate and Method of Apportionment in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property (as defined in the Rate and Method of Apportionment) below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Bonds Outstanding as of the date of such amendment; or

(e) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondowners; provided that any amendment or supplement to the Indenture which will affect the Trustee's duties or protections set forth under the Indenture shall be effective only upon written consent of the Trustee.

Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures set forth in the Indenture and subject to the prior written consent of the Insurer (so long as the Insurer has not defaulted on any obligation under the Insurance Policy), the Owners of not less than a majority of in aggregate principal amount of the Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that nothing in the Indenture 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, or redemption premium on, any Bond or the rate of interest thereon; (c) a preference or priority of any Bond over any other Bond; 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 District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of the Indenture shall require the consent of the Bondowners, the District 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 District, 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 in the Indenture 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 the Indenture. 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 in

the Indenture by the District 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 District, 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 District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, 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 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 the Indenture, the Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as provided in the Indenture, the District may determine that the Bonds may bear a notation, by endorsement in form approved by the District, 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 District shall so determine, new Bonds so modified as, in the opinion of the District, 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.

TRUSTEE

Trustee. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Los Angeles, California, is appointed Trustee for the District for the purpose of receiving all money which the District is required to deposit with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture. In the event that the District fails to deposit with the Trustee any amount due under the Indenture when due, the Trustee shall provide written notice to the District.

The Trustee is authorized to and shall mail by first class mail, postage prepaid, or pay by wire transfer as provided in the Indenture, interest payments to the Bondowners, to select Bonds for redemption, and to maintain the Bond Register. The Trustee is authorized to pay the principal of and premium, if any, on the Bonds 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 the Indenture, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in the Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds paid, discharged and cancelled by it. The Trustee shall deliver to the District a monthly accounting of the Funds and Accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver such accounting for any Fund or Account that has a balance of zero. The Trustee may establish such Funds and Accounts as it deems necessary or appropriate to perform its obligations under the Indenture.

The Trustee is 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 in the Indenture in accordance with the provisions of the Indenture.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee 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 or counsel employed by it in the exercise and performance of its powers and duties under the Indenture, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties under the Indenture. The obligations of the District under the heading "—Trustee" shall survive the discharge of the Bonds and the resignation or removal of the Trustee.

Removal of Trustee. The District may at any time at its sole discretion 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, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars ($50,000,000), 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, national banking association 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 paragraph the combined capital and surplus of such bank, national banking association 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.

Resignation of Trustee. The Trustee may at any time resign by giving written notice to the District and the Insurer 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 District shall promptly appoint by an instrument in writing and with the prior approval of the Bond Insurer, a successor Trustee. 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. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this paragraph within thirty (30) days after the Trustee shall have given to the District and the Owners written notice, the Trustee, at the expense of the District, or the District may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee, which successor shall be acceptable to the District.

Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained in the Indenture and in the Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Indenture or the Bonds, and shall incur no responsibility in respect in the Indenture, other than in connection with its duties or obligations specifically set forth in the Indenture, 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 under the Indenture, except for its own negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, 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 District, 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 under the Indenture 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 the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect in the Indenture be in the Indenture 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 District, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith in the Indenture, but in its discretion the Trustee may, in lieu in the Indenture, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

No provision of the Indenture or any other document related to the Indenture shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under the Indenture.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedure.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Owners pursuant to the provisions of the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents, shall not be liable for the acts or omissions of such attorneys or agents appointed with due care, and shall be entitled to rely on advice of counsel concerning all matters of trust and its duty hereunder.

The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at Corporate Trust Office of the Trustee.

The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

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 in the Indenture to the contrary notwithstanding.

EVENTS OF DEFAULT; REMEDIES

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 District in the observance of any of the agreements, conditions or covenants on its part contained in the Indenture or the Bonds, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Trustee or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds; provided that no grace period for a default under this section (c) shall exceed 30 days or be extended for more than 60 days without the prior written consent of the Insurer.

Remedies of Owners. Following the occurrence of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District 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 the 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 District and its members, officers and employees to account as the trustee of an express trust.

Nothing in the Indenture or the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners in the Indenture at the respective dates of maturity, as in the Indenture provided, out of the Net Special Taxes pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture. The principal of the Bonds shall not be subject to acceleration under the Indenture.

A waiver of any default or breach of duty or contract by any Owner 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 by any Owner 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 Owners by the Act or by the Indenture may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

No remedy in the Indenture conferred upon or reserved 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 under the Indenture or now or existing after the issuance of the Bonds, 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.

In case the moneys held by the Trustee after an Event of Default pursuant to the Indenture shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, after payment of all fees and expenses, including legal fees and expenses of the Trustee incurred in the course of the performance of its powers and duties under the Indenture, then all available amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest and to restore the Reserve Account to the Reserve Requirement.

DEFEASANCE

Defeasance. If the District 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 in the Indenture, at the times and in the manner stipulated in the Indenture or any Supplemental Indenture, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under the 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 the Indenture, upon payment of all amounts owed by the District to the Trustee under the Indenture, the Trustee shall execute and deliver to the District all such instruments as may be

desirable to evidence such discharge and satisfaction, and the Trustee shall, after payment of amounts payable to the Trustee under the Indenture, pay over or deliver to the District's general fund all money or securities held by it pursuant to the Indenture which are not required for the payment of the interest due on and the principal of such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph above 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 depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund are available for such purpose, 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 District, in trust, direct, noncallable Federal Securities, of the type defined in the definition in the Indenture set forth in the Indenture, in which the District may lawfully invest its money, in such amount as an Independent Financial Consultant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund are available for such purpose, 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;

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under the 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 and except for the covenants of the District relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than thirty (30) days prior to the proposed defeasance date. In connection with a defeasance under (b) or (c) above, there shall be provided to the Trustee and the Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Certified Public Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or the redemption date; (ii) an escrow agreement (which shall be acceptable in form and substance to the Insurer); (iii) 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 the Indenture and any applicable Supplemental Indenture; and (iv) a certificate of discharge of the Trustee with respect to the Bonds. The opinion of Bond Counsel and Certified Public Accountant's or report referred to above shall be acceptable in form and substance, and addressed, to the District, Trustee and Insurer (so long as the Insurer has not defaulted on any obligation under the Insurance Policy). The Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

The Bonds shall be deemed Outstanding under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

BOND INSURANCE PROVISIONS

Claims Upon Insurance Policy. So long as the Insurance Policy remains in full force and effect, the District and the Trustee agree to comply with the following provisions set forth in the Indenture, notwithstanding anything to the contrary in the Indenture:

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(b) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(c) The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking account redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Bond Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the District on any Insured Bond or the subrogation rights of the Insurer.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(e) Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Insured Bond Owners referred to in this section of the Indenture as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bond Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bond Owners in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under Article II regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the District agrees to pay to the Insurer: (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus three percent, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The District hereby covenants and agrees that the

Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Special Taxes and payable from such Net Special Taxes on a parity with debt service due on the Insured Bonds.

(f) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Interest Payment Date shall promptly be remitted to the Insurer.

(g) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Additional Rights of Insurer. So long as the Insurance Policy shall be in full force and effect and the Insurer has not defaulted with respect to its payment obligations thereunder, the following provisions shall apply:

(a) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the provisions of the Indenture pertaining to (i) defaults and remedies, and (ii) the duties and obligations of the Trustee. Without limiting any other provision of the Indenture, mandamus is expressly recognized as a remedy in the Event of Default under the Indenture. In furtherance thereof, the Trustee and each Insured Bond Owner appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the District relating to the Insured Bonds under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") shall act as such agent and attorney-in-fact of the Trustee and the Insured Bond Owners in directing all matters relating such Insolvency Proceedings, including without limitation: (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Claim (a "Claim"), (B) the direction of any appeal or any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Insured Bond Owner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Insured Bond Owner in the conduct of any Insolvency Proceeding, including without limitation, all rights of any such party to an adversary proceeding or action with respect to any court order issued in connection with such Insolvency Proceeding.

(b) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceedings. The obligation of the District to the Insurer under the Indenture shall survive the discharge or termination of the Indenture.

(c) The District shall pay or reimburse the Insurer any and all reasonable charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture; (ii) the pursuit of any remedies under the Indenture or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Indenture, other than costs resulting from the negligence or willful misconduct of the Insurer or the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture.

(d) Any amendment, supplement, modification to, or waiver of, the Indenture that requires the consent of Owners of the Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(e) The rights granted to the Insurer under the Indenture to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bond Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bond Owners or any other person is required in addition to the consent of the Insurer.

(f) Upon the reasonable request of the District or the Insurer, the Trustee shall execute and deliver any and all such instruments and assurances as may be necessary or proper to facilitate the performance under the Indenture with respect to the provisions of the Indenture pertaining to the Trustee's obligations, including but not limited to the maintenance and application of funds pledged for the Bonds under the Indenture.

(g) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 216167-N; Telephone: (212) 974-0100; telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(h) The Trustee shall provide the following to the Insurer:

(i) Notice of the resignation by the Trustee;

(ii) With respect to any successor Trustee, the acceptance of duties by the successor Trustee upon its appointment;

(iii) Notice of any Event of Default known to the Trustee within five Business Days after knowledge thereof;

(iv) Notice of any advance refunding of the Insured Bonds (including the principal amount, maturities and CUSIP numbers, if any) prior to the funding of the escrow in connection with such advance refunding;

(v) Copies of notices or reports (including, but not limited to, notices of redemption pursuant to the Indenture delivered to Insured Bond Owners pursuant to the requirements of this Trust Agreement; and

(vi) Notices of any failure by the District to provide notices, certificates or other information in violation of the provisions of the Indenture.

(i) The District shall provide or cause to be provided to the Insurer the following (provided, that in each case, to the extent that the Trustee has already provided the information or material to the Insurer, then the District shall not be required to provide duplicative information or material):

(i) Copies of annual audited financial statements of the District no later than April 1 immediately following the end of the District's fiscal year (together with a certification of the District that it is not aware of any default or Event of Default under the Indenture);

(ii) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Reserve Requirement and (B) withdrawals in connection with a refunding of Bonds

(iii) Notice of the removal of the Trustee or the appointment of any successor Trustee;

(iv) Notice of any Event of Default known to the District within five Business Days after knowledge thereof;

(v) Notice of the commencement of any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds; and

(vii) A copy of any amendment or supplement to the Indenture and any waiver affecting any Insured Bonds.

(j) Unless already covered under Section (h) or (i) above, the District shall provide or cause to be provided to the Insurer all reports or notices submitted to the Municipal Securities Rulemaking Board by the District pursuant to the Continuing Disclosure Agreement relating to the Bonds.

(k) In addition to any of the items expressly mentioned in this section of the Indenture, each of the Trustee and the District shall provide such additional document or information relating to the Bonds as the Insurer may reasonably request from time to time.

(l) The District will permit the Insurer to discuss the affairs, finances and accounts of the District with respect to, or any information the Insurer may reasonably request regarding, the security for the Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the District pertaining to the Bonds or the security thereof on any business day upon reasonable prior notice.

(m) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Bonds or the rights of the Insured Bond Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(n) The rights granted to the Insurer under the Indenture to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bond Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bond Owners or any other person is required in addition to the consent of the Insurer.

(o) The District shall not enter into any contract or take any action by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect without the prior written consent of the Insurer.

(p) Subject to Article VII, upon the written request of the District or the Insurer, the Trustee shall take such action (including the execution and delivery of applicable documentations) as determined by the District or the Insurer to be necessary to preserve the priority of the pledge of the Trust Estate under applicable law.

Suspension or Termination of Rights of Bond Insurer. All rights of the Insurer to direct or consent to actions of the District, the Trustee or the Owners under the Indenture shall be suspended during any period in which the Insurer is in default in its payment obligations under its Insurance Policy (except to the extent of amounts previously paid by the Insurer and due and owing to the Insurer) and shall be of no force or effect in the event such Insurance Policy is no longer in effect or the Insurer asserts that the Insurance Policy is not in effect.

Insurer as Third-Party Beneficiary. The Insurer is a third party beneficiary to the Indenture.

Impairment of Insurer's Rights. No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior consent of the Insurer.

Interest Rate Exchange Agreement. The District shall not enter into any interest rate exchange agreement or other interest rate maintenance agreement secured by and payable from the Net Special Taxes without the prior written consent of the Insurer.

MISCELLANEOUS

Cancellation of Bonds. All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor and any Bond purchased by the District as authorized in the Indenture shall be cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds, as provided by law, and, upon written request from the District, furnish to the District a certificate of such destruction.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the 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 the Indenture (except as otherwise in the Indenture 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 in the Indenture 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 in the Indenture 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 District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in the Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters in the Indenture stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Unclaimed Moneys. Anything in the Indenture to the contrary notwithstanding and subject to the escheat laws of the State, any money held by the Trustee in trust for the payment and discharge of any of the

Outstanding Bonds which remain unclaimed for two (2) years after the date when such Outstanding Bonds have become due and payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the said date when such Outstanding Bonds become due and payable, shall be repaid by the Trustee to the District, 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 District for the payment of such Outstanding Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee shall, at the expense of the District, cause to be mailed to the registered Owners of such Outstanding Bonds 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 less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Provisions Constitute Contract. The provisions of the Indenture shall constitute a contract between the District and the Bondowners and the provisions in the Indenture 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 District, 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 the Indenture shall be irrepealable, but shall be subject to modifications to the extent and in the manner provided in the Indenture, but to no greater extent and in no other manner.

Future Contracts. Nothing in the Indenture contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Taxes which are subordinate to the pledge under the Indenture, or which is payable from the general fund of the District or from taxes or any source other than the Net Special Taxes as defined in the Indenture.

Further Assurances. The District 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 the Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in the Indenture.

Severability. If any covenant, agreement or provision, or any portion in the Indenture, contained in the Indenture, or the application in the Indenture to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of the Indenture and the application of any such covenant, agreement or provision, or portion in the Indenture, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and the Indenture and the Bonds issued pursuant to the Indenture shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Action on Next Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in the Indenture.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE DISTRICT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of July 1, 2014, is executed and delivered by City of Modesto Community Facilities District No. 2004-1 (the "Issuer") and Goodwin Consulting Group, Inc., as dissemination agent, in connection with the issuance and delivery by the Issuer of the Issuer's 2014 Special Tax Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 2014-272 and that certain Trust Indenture (the "Indenture"), dated as of July 1, 2014, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Issuer covenants as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"*Disclosure Representative*" shall mean the Director of Finance, or such other officer or employee as the City shall designate in writing to the Dissemination Agent from time to time.

"*Dissemination Agent*" shall mean, initially, Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the Issuer which has filed with the then current Dissemination Agent a written acceptance of such designation.

"*EMMA*" shall mean the Electronic Municipal Market Access system of the MSRB.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"*Participating Underwriter*" shall mean Stifel Nicolaus & Company, Incorporated.

"*Repository*" shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Tax-exempt*" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preferences or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) Not later than nine months immediately following the end of the Issuer's fiscal year, commencing April 1, 2015, the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Issuer's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The Issuer will promptly notify the Repository of a change in the fiscal year dates.

(b) In the event that the Dissemination Agent is an entity other than the Issuer, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer will be filing the Annual Report in compliance with subsection (a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(c) If the Issuer is the Dissemination Agent and the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository in substantially the form attached to this Disclosure Agreement as Exhibit A. If the Dissemination Agent is other than the Issuer and if the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository if other than the MSRB; and

(ii) promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Agreement, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the Issuer then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report may be filed without audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the Issuer shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the Issuer shall modify the basis upon which its financial statements are prepared, the Issuer shall provide a notice of such modification to the Repository, including a reference to the specific federal or State law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of Bonds outstanding as of September 30 of each year;

(ii) the balance in each fund under the Indenture as of the September 30 preceding the filing of the Annual Report, including the Reserve Account and a statement of the Reserve Requirement;

(iii) any changes to the Rate and Method approved or submitted to the electors for approval prior to the filing of the Annual Report;

(iv) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes;

(v) the identity of any property owner whose delinquent special taxes represent more than 5% of the amount levied and the number of lots, assessed value, delinquency amount value-to-lien ratios, prior delinquencies and foreclosure status of the applicable properties;

(vi) information regarding the percentage of delinquency, if any, in the collection of special taxes levied on property in the District for the Fiscal Year preceding the Annual Report date in the form set forth in Table 7, the number of parcels delinquent, amount delinquent compared to the total levy and the assessed value of each delinquent parcel;

(vii) the annual assessed valuation of Developed Property and Undeveloped Property (as such terms are defined in the Rate and Method) within the District;

(viii) the annual special tax levy on Developed Property and Undeveloped Property within the District;

(ix) an update to Table 8 in the Official Statement titled "City of Modesto Community Facilities District No. 2004-1 (Village One #2) Top Ten Taxpayers;

(x) a statement as to whether there have been any changes to the District's status with respect to the County's Teeter Plan (as set forth in California Revenue and Taxation Code Section 4701-4717); and

(xi) any information not already included under (i) through (x) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

In addition to any of the information expressly required to be provided under paragraphs (a) or (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements set forth in clauses (i) to (vii), in the light of the circumstances under which they were made, not misleading.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);

6. tender offers;

7. defeasances;

8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

3. appointment of a successor or additional trustee or the change of the name of a trustee;

4. nonpayment related defaults;

5. modifications to the rights of Owners of the Bonds;

6. notices of redemption; and

7. release, substitution or sale of property securing repayment of the Bonds.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Special District Financing and Administration. The Dissemination Agent may resign by providing (i) thirty days written notice to the Issuer, and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 8. Amendment.

(a) This Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the Owners, if all of the following conditions are satisfied: (1) such amendment is made

in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Participating Underwriter, to the same effect as set forth in clause (2) above, (4) the Issuer shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the Owners or Beneficial Owners, or such amendment shall have been approved by the Owners in the same manner as an amendment to the Indenture, and (5) the Issuer shall have delivered copies of such opinion and amendment to the Repository.

(b) This Disclosure Agreement also may be amended by written agreement of the parties upon obtaining consent of Owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Owners of the Bonds; provided that the conditions set forth in Section 8(a)(1), (2) and (3) have been satisfied.

(c) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The District acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended may apply to the District, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the District under such laws.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent other than the Issuer shall be paid (i) compensation by the Issuer for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Issuer pursuant to this Disclosure Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Governing Law. This Disclosure Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 15. Notices. Any notice or communications to be among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Community Facilities District No. 2004-1 of the City of Modesto P.O. Box 642 Modesto, California 95353 Attention: Director of Finance Telephone: (209) 577-5371 Facsimile: (209) 571-5880
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, 4th Floor Los Angeles, California 90071 Attention: Corporate Trust Telephone: (213) 630-6231 Facsimile: (213) 630-6215
To the Dissemination Agent:	Goodwin Consulting Group, Inc. 555 University Avenue, Suite 280 Sacramento, California 95825 Attention: Susan Goodwin Telephone: (916) 561-0890 Facsimile: (916) 561-0891

To the Participating Underwriter: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104
Attention: Ralph Holmes
Telephone: (415) 364-5965
Facsimile: (415)364-7765

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. Future Determination of Obligated Persons. In the event the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the District to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the District to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the District pursuant to Section 4 and Section 5 hereof. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

SECTION 17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

SECTION 18. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO

By: _____
Its: Mayor of the City of Modesto, which is acting in its capacity as the legislative body of Community Facilities District No. 2004-1 of the City of Modesto

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

By: _____
Its: Authorized Officer

EXHIBIT A

NOTICE TO THE REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO (VILLAGE ONE #2)

Name of Bond Issue: $29,320,000 COMMUNITY FACILITIES DISTRICT NO. 2004-1 OF THE CITY OF MODESTO 2014 Special Tax Refunding Bonds

Date of Issuance: July 30, 2014

NOTICE IS HEREBY GIVEN that Community Facilities District No. 2004-1 of the City of Modesto (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of July 1, 2014. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

cc: City of Modesto

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APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

Form 500NY (5/90)

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CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) • 2014 SPECIAL TAX REFUNDING BONDS

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

UNDERWRITER'S RECEIPT FOR THE BONDS

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), hereby certifies that, on the date of this receipt, the Underwriter received from the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District") the Community Facilities District's 2014 Special Tax Refunding Bonds in definitive form, in the aggregate principal amount of $29,320,000.

The Underwriter hereby further acknowledges the receipt of, or waives the requirement for, each opinion, document and certificate required by Section 3(c) of the Bond Purchase Agreement, dated July 16, 2014, by and between the Underwriter and the City of Modesto, for itself and on behalf of the Community Facilities District, and agrees that each such opinion, document and certificate, to the extent received, is satisfactory to the Underwriter as to form and substance.

Dated: July 30, 2014

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Authorized Representative

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

OFFICER'S CERTIFICATE

I do hereby certify that:

(i) I am the duly elected Officer of The Bank of New York Mellon Trust Company, N.A.; (the Company");

(ii) attached hereto is a true, correct copy of Signing Authorities extracts from by-laws of the Company adopted by action of the Board of Directors of the Company and presently in effect;

(iii) attached hereto is a list of the persons who, as of the date hereof, are certain duly elected officers of the Company, which lists sets forth the title of each such officer next to his or her typed name, with which officers I am personally familiar; and

IN WITNESS WHEREOF, I have hereunto executed this Certificate as Vice President of the Company this 30th day of July 2014.

Officer's Name: Jacqueline M. Nowak
Title: Vice President

I hereby certify that as of the date hereof that Jacqueline M. Nowak is a duly elected Officer of The Bank of New York Mellon Trust Company, N.A. and that the signature which appears on the foregoing pages is the signature of Jacqueline M. Nowak and that it is a signature with which I am personally familiar and do certify as to its authenticity:

Dated: July 30, 2014

By: Mark A. Golder
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

I, the undersigned, Mary Lou Olinski, Assistant Secretary of The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States (the "Association") and located in the State of California, DO HEREBY CERTIFY that the following individuals are duly appointed and qualified Officers of the Association:

Officer	Title	Signing Authority
LOS ANGELES, CA (400 South Hope Street)		
Maria E. Allison	Vice President & Assistant Secretary	B1, G, H,J, P11
John A. (Alex) Briffett	Vice President	G, H, J
Eladia Burgos	Vice President	C2, I1, I2, N, P11
Maria Rose Bystrom	Vice President & Assistant Secretary	B1, G, H, J, P11
Fanny Chen	Vice President	B1, H, J, N
Gregory Chenail	Vice President	G, H, J
Patricia Cronin	Vice President	G, H, J
Christopher Davy	Vice President	G, H, J
Teresa Fructuoso	Vice President & Assistant Secretary	G, H, J
Cristina D. Garchitorena	Vice President	G, H, J
Mark A. Golder	Vice President & Assistant Secretary	A, J, N
Lisa Infusino	Vice President	A, J, N
Christopher Johnson	Vice President	B1, H, J, N
Daniel Marroquin	Vice President	A, J, N
Aaron Masters	Vice President	C2
Jose M. Matamoros	Vice President	B1, H, J, N
Marina Meza	Vice President	G, H, J
Melinda Murrell	Vice President	G, H, J
Jacqueline Nowak	Vice President	A, J, N
Agnes Obando	Vice President	G, H, J
Samuel Oh	Vice President	N
Teresa Petta	Vice President	A, J, N
Johanna Tokunaga	Vice President & Assistant Secretary	G, H, J
Raymond Torres	Vice President	G, H, J
Fe R. Tuzon	Vice President	G, H, J
Gonzalo Urey	Vice President	A, J, N
Deborah D. Young	Vice President	A, J, N
Melonee Young	Vice President	A, J, N
Kitty Kwong	Senior Associate	A, C5, J, N, P2
Icela Arms	Associate	C2, I1, I2, N
Valere D. Boyd	Associate	G, H, J
Justin Bui	Associate	A, C3, J, N, P3
Alexander Dominguez	Associate	C2, I1, I2, N
Ty Jamaal Jordan	Associate	C2, I1, I2, N
Alfredo Miranda	Associate	C2, I1, I2, N
Norma Nkala-Hendon	Associate	B1, H, J, N
Erica Judd-Blair	As Agent	G, H, J
Jane Thang	As Agent	G, H, J
Matthew Moon	N/A	B1, H, J, N

SAN FRANCISCO, CA (100 Pine Street, Suite 3100)

Sheila A. Bowman	Vice President	G, H, J
Milly P. Canessa	Vice President	G, H, J
Josephine Libunao	Vice President & Assistant Secretary	B1, H, J, N
Julia (Jing) Sun	Vice President	C2, I1, I2, N, P11
Helen Hamilton Vial	Vice President	B1, H, J, N
Kelly Connolly	Associate	I1, I2
Gordon Fung	Associate	G, H, J

TEMPE, AZ (1225 W. Washington St., Suite 126)

Mark Krietemeyer	Vice President & Assistant Secretary	A, J, N
Kevin Scott Miles	Vice President	B1, H, J, N
Deborah M. Scherer	Vice President	B1, H, J, N
Nancy Wakefield	Vice President	G, H, J

DENVER, CO (1775 Sherman Street)

Donna Edmundson	Vice President	None
Elmo Morales	Vice President	None
Troy Pitman	Vice President	G, H, J
Ryan M. Pollihan	Vice President	B1, H, J, N

SEATTLE, WA (601 Union Street)

Roy H. Davis	Vice President	B1, H, J, N
Michael A. Jones	Vice President	B1, H, J, N
Carol J. Nelson	Vice President & Assistant Secretary	A, J, N
Gene H. Romaine	Vice President	G, H, J
Diem Lam	Associate	C2, I1, I2, N
Anna McCully	Associate	I1, I2

I further certify that as of this date they have been authorized to sign on behalf of the Association in discharging or performing their duties in accordance with the senior and limited signing powers provided under Article V, Sections 5.2 and 5.3 of the By-Laws of the Association and the paragraphs indicated above of the signing authority resolution of the Board of Directors of the Association.

Attached hereto are true and correct copies of excerpts of the By-Laws of the Association and the signing authority resolution, which have not been amended or revised since October 15, 2009 and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Bank of New York Mellon Trust Company, N.A. this 24th day of January 2014.

Mary Lou Olinski

Mary Lou Olinski, Assistant Secretary

Extracts from By-Laws

of

The Bank of New York Mellon Trust Company, National Association

As Amended through October 15, 2009

ARTICLE V
SIGNING AUTHORITIES

Section 5.1 Real Property. Real property owned by the Association in its own right shall not be deeded, conveyed, mortgaged, assigned or transferred except when duly authorized by a resolution of the Board. The Board may from time-to-time authorize officers to deed, convey, mortgage, assign or transfer real property owned by the Association in its own right with such maximum values as the Board may fix in its authorizing resolution.

Section 5.2. Senior Signing Powers. Subject to the exception provided in Section 5.1, the President and any Executive Vice President is authorized to accept, endorse, execute or sign any document, instrument or paper in the name of, or on behalf of, the Association in all transactions arising out of, or in connection with, the normal course of the Association's business or in any fiduciary, representative or agency capacity and, when required, to affix the seal of the Association thereto. In such instances as in the judgment of the President, or any Executive Vice President may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer to have the powers set forth in this section applicable only to the performance or discharge of the duties of such officer within his or her particular division or function. Any officer of the Association authorized in or pursuant to Section 5.3 to have any of the powers set forth therein, other than the officer signing pursuant to this Section 5.2, is authorized to attest to the seal of the Association on any documents requiring such seal.

Section 5.3. Limited Signing Powers. Subject to the exception provided in Section 5.1, in such instances as in the judgment of the President or any Executive Vice President, may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer, employee or individual to have the limited signing powers or limited power to affix the seal of the Association to specified classes of documents set forth in a resolution of the Board applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function.

Section 5.4. Powers of Attorney. All powers of attorney on behalf of the Association shall be executed by any officer of the Association jointly with the President, any Executive Vice President, or any Managing Director, provided that the execution by such Managing Director of said Power of Attorney shall be applicable only to the performance or discharge of the duties of said officer within his or her particular division or function. Any such power of attorney may, however, be executed by any officer or officers or person or persons who may be specifically authorized to execute the same by the Board of Directors.

Section 5.5. Auditor. The Auditor or any officer designated by the Auditor is authorized to certify in the name of, or on behalf of the Association, in its own right or in a fiduciary or representative capacity, as to the accuracy and completeness of any account, schedule of assets, or other document, instrument or paper requiring such certification.

SIGNING AUTHORITY RESOLUTION

Pursuant to Article V, Section 5.3 of the By-Laws
Adopted October 15, 2009

RESOLVED that, pursuant to Section 5.3 of the By-Laws of the Association, authority be, and hereby is, granted to the President or any Executive Vice President, in such instances as in the judgment of any one of said officers may be proper and desirable, to authorize in writing from time-to-time any other officer, employee or individual to have the limited signing authority set forth in any one or more of the following paragraphs applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function:

(A) All signing authority set forth in paragraphs (B) through (I) below except Level C which must be specifically designated.

(B1) Individuals authorized to accept, endorse, execute or sign any bill receivable; certification; contract, document or other instrument evidencing, embodying a commitment with respect to, or reflecting the terms or conditions of, a loan or an extension of credit by the Association; note; and document, instrument or paper of any type, including stock and bond powers, required for purchasing, selling, transferring, exchanging or otherwise disposing of or dealing in foreign currency, derivatives or any form of securities, including options and futures thereon; in each case in transactions arising out of, or in connection with, the normal course of the Association's business.

(B2) Individuals authorized to endorse, execute or sign any certification; disclosure notice required by law; document, instrument or paper of any type required for judicial, regulatory or administrative proceedings or filings; and legal opinions.

(C1) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of $500,000,000 with single authorization for all transactions.

(C2) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of $500,000,000*.

(C3) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $500,000,000.

(C4) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount in excess of $100,000,000 but not to exceed $500,000,000*.

(C5) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $100,000,000.

(C6) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $10,000,000.

(C7) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $5,000,000.

(C8) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $1,000,000.

(C9) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $250,000.

(C10) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $50,000.

(C11) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to $5,000.

*Dual authorization is required by any combination of senior officer and/or Sector Head approved designee for non-exempt transactions. Single authorization required for exempt transactions.

(D1) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to $1,000,000.

(D2) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to $250,000.

(D3) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to $50,000.

(D4) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to $5,000.

(E) Authority to accept, endorse, execute or sign any guarantee of signature to assignments of stocks, bonds or other instruments; certification required for transfers and deliveries of stocks, bonds or other instruments; and document, instrument or paper of any type required in connection with any Individual Retirement Account or Keogh Plan or similar plan.

(F) Authority to accept, endorse, execute or sign any certificate of authentication as bond, unit investment trust or debenture trustee and on behalf of the Association as registrar and transfer agent.

(G) Authority to accept, endorse, execute or sign any bankers acceptance; letter of credit; and bill of lading.

(H) Authority to accept, endorse, execute or sign any document, instrument or paper of any type required in connection with the ownership, management or transfer of real or personal property held by the Association in trust or in connection with any transaction with respect to which the Association is acting in any fiduciary, representative or agency capacity, including the acceptance of such fiduciary, representative or agency account.

(I1) Authority to effect the external movement of free delivery of securities and internal transfers resulting in changes of beneficial ownership.

(I2) Authority to effect the movement of securities versus payment at market or contract value.

(J) Authority to either sign on behalf of the Association or to affix the seal of the Association to any of the following classes of documents: Trust Indentures, Escrow Agreements, Pooling and Servicing Agreements, Collateral Agency Agreements, Custody Agreements, Trustee's Deeds, Executor's Deeds, Personal Representative's Deeds, Other Real Estate Deeds for property not owned by the Association in its own right, Corporate Resolutions, Mortgage Satisfactions, Mortgage Assignments, Trust Agreements, Loan Agreements, Trust and Estate Accountings, Probate Petitions, responsive pleadings in litigated matters and Petitions in Probate Court with respect to Accountings, Contracts for providing customers with Association products or services.

(N) Individuals authorized to accept, endorse, execute or sign internal transactions only, (i.e., general ledger tickets); does not include the authority to authorize external money movements, internal money movements or internal free deliveries that result in changes of beneficial ownership.

(P1) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in excess of $10,000,000.

(P2) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $10,000,000.

(P3) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $5,000,000.

(P4) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $1,000,000.

(P5) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $250,000.

(P6) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $100,000.

(P7) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $50,000.

(P8) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $25,000.

(P9) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $10,000.

(P10) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $5,000.

(P11) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to $3,000.

RESOLVED, that any signing authority granted pursuant to this resolution may be rescinded by the President or any Executive Vice President and such signing authority shall terminate without the necessity of any further action when the person having such authority leaves the employ of the Association.

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CLOSING CERTIFICATE OF TRUSTEE/ESCROW BANK

The undersigned hereby states and certifies that the undersigned is an authorized officer of The Bank of New York Mellon Trust Company, N.A., (the "Bank"), which is acting (A) as trustee (the "Trustee") under that certain Bond Indenture, dated as of July 1, 2014 (the "Bond Indenture"), by and between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and the Bank, and (B) as escrow bank under the Escrow Agreement, dated as of July 1, 2014 (the "Escrow Agreement"), between the District and the Bank, and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Bank:

(1) The Bank is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Bond Indenture and the Escrow Agreement.

(2) The Bond Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Bank, and are legal, valid and binding agreements of the Bank enforceable upon the Bank in accordance with their respective terms.

(3) The Bonds have been authenticated by a duly authorized representative of the Bank in accordance with the Bond Indenture.

(4) To the best knowledge of the Bank, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Bank or threatened against the Bank which in the reasonable judgment of the Bank would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bond Indenture, or the Escrow Agreement or contesting the powers of the Bank or its authority to enter into and perform its obligations under the Bond Indenture and the Escrow Agreement.

Dated: July 30, 2014

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By _____
Authorized Officer

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

TRUSTEE'S RECEIPT FOR PROCEEDS

The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") for the above-captioned bonds (the "Bonds"), acknowledges receipt from Stifel, Nicolaus & Company, Incorporated (the "Underwriter") of $30,229,631.02 representing the "Purchase Price" of the Bonds, which the Underwriter has represented to be computed as follows:

Principal Amount	$29,320,000.00
Plus Net Premium	1,472,057.05
Less Underwriter's Discount	(193,730.29)
Less Bond Insurance Premium	(368,695.74)
TOTAL PURCHASE PRICE	$30,299,631.02

The Trustee has deposited and transferred the aforesaid amounts in accordance with the Instructions to Trustee, executed by the Director of Finance of the City of Modesto, dated the date hereof.

Dated: July 30, 2014

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

ESCROW BANK'S RECEIPT

The undersigned, on behalf of The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank") under that certain Escrow Agreement dated as of July 1, 2014 (the "Escrow Agreement"), by and between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) and the Escrow Bank, acknowledges receipt of the cash deposit to the Escrow Fund referenced in the Escrow Agreement.

Dated: July 30, 2014

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank

By: _____
Authorized Officer

Continuing Disclosure Details

EVENT FILING (CUSIP-9 BASED)
Rule 15c2-12 Disclosure
Bond Call as of 07/30/2014

Total CUSIPs associated with this submission: 8

VIEW DOCUMENTS

Event Filing as of 07/30/2014
File 1 posted 07/31/2014 View

[-] CUSIP-6s

> MODESTO CALIF SPL TAX, CA, (607800)

MODESTO CALIF SPL TAX, CA (607800)

Displaying 1 issue.
Total CUSIPs selected for this CUSIP-6: 8.

Issue Description *	Dated Date	Maturity Dates	Official Statement
[+] CMNTY FACS DIST NO 04-1-VLG 2	03/22/2006	2007 to 2036	Preview

SUBMITTER'S CONTACT INFORMATION

Company: BNY Mellon
Name: WILLIAM BARSTOW
Address: 111 SANDERS CREEK CORPORATE CENTER
City, State Zip: EAST SYRACUSE, NY 13057
Phone Number: 8002542826
Email: ct_ops_syracuse_-_calls@bnymellon.com

NOTICE OF FULL REDEMPTION TO THE HOLDERS OF

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO 2004-1

NOTICE IS HEREBY GIVEN that, there have been called for full redemption on September 1, 2014 all outstanding Bonds of the above captioned bonds, totaling $29,580,000.00 in principal amount, plus accrued interest thereon to the Redemption Date, as listed below:

Maturity	Amount Called	Rate	Redemption Price	*CUSIP Number
09/01/2015	$395,000.00	4.70%	102.00%	607800BA6
09/01/2016	$450,000.00	4.75%	102.00%	607800BB4
09/01/2017	$515,000.00	4.85%	102.00%	607800BC2
09/01/2018	$580,000.00	4.90%	102.00%	607800BD0
09/01/2019	$645,000.00	4.90%	102.00%	607800BE8
09/01/2021	$1,515,000.00	5.00%	102.00%	607800BF5
09/01/2026	$5,350,000.00	5.10%	102.00%	607800BG3
09/01/2036	$20,130,000.00	5.15%	102.00%	607800BH1

The Bonds are being called pursuant to the redemption provisions of the governing documents at the referenced Redemption Price plus accrued interest to September 1, 2014 on which date all interest on the Bonds will cease to accrue. Holders of the Bonds are requested to present their Bonds, at the following addresses:

First Class/Registered/Certified
The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, New York 13057

Express Delivery Only
The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, New York 13057

By Hand Only
The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, New York 10286

CITY OF MODESTO
By: The Bank of New York Mellon Trust Company, N.A.
as Trustee Agent
Bondholder Communications: 800-254-2826

BNY MELLON

Dated: July 30, 2014

IMPORTANT TAX NOTICE

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. **Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.**

**Note: The Issuer and Trustee/Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

Notice #:2014090125659

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SACRAMENTO (916) 449-2350

July 30, 2014

City Council of the City of Modesto
Modesto, California

Re: *$29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Modesto taken in connection with the formation of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and the authorization and issuance of the District's 2014 Special Tax Refunding Bonds in the aggregate principal amount of $29,320,000 (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. 2014-272 (the "Resolution of Issuance"), adopted by the City Council (the "City Council") of the City of Modesto (the "City") on July 1, 2014, and by a Trust Indenture dated as of July 1, 2014 (the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee. All capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated the date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each September 1 and March 1, commencing on March 1, 2015, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture redeemable in the amounts, at the times and in the manner provided for in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the City Council on behalf of the District. The Indenture creates a valid pledge of, and the Bonds are secured by the Net Special Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) will be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating

the federal alternative minimum tax imposed on individuals or corporations (as described in paragraph (3) above) and is exempt from State of California personal income tax.

(6) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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July 30, 2014

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Assured Guaranty Municipal Corp.
New York, New York

Re: $29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds

Ladies and Gentlemen:

On the date hereof, we have rendered our opinions (the "Approving Opinions") to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) regarding the validity of the above-referenced bonds (the "Bonds"). You may each rely on the Approving Opinions as if they were addressed to each of you. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter.

Our engagement with respect to the Bonds terminates as of the date hereof and we expressly disclaim any obligation to update our Approving Opinion or this letter. This letter is solely for your benefit, and may not be relied upon by others without our prior written consent.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

DOCSOC/1673912v2/024586-0015

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July 30, 2014

Stifel, Nicolaus & Company, Incorporated
San Francisco, California

Assured Guaranty Municipal Corp.
New York, New York

Re: *$29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have examined certified copies of proceedings taken for the sale and issuance of the above-referenced bonds (the "Bonds"), and we have rendered our opinions to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") this day regarding the validity and enforceability of the Bonds (the "Approving Opinion"). The Bonds are being issued pursuant to a Bond Indenture dated as of July 1, 2014 (the "Indenture"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee. You may rely upon our Approving Opinion as if it were addressed to you.

Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Bond Purchase Agreement dated July 16, 2014 (the "Bond Purchase Agreement"), by and between the District and Stifel, Nicolaus & Company, Incorporated, as Underwriter.

Based upon the foregoing and such other information and documents as we consider necessary to render this opinion, we are of the opinion that:

(i) The Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming such agreement constitutes a valid and binding obligation of the other parties thereto, constitutes the legally valid and binding agreement of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law);

(ii) The information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE REFUNDING PLAN," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX EXEMPTION" and APPENDICES B and D thereof, insofar as it purports to summarize certain provisions of the Act, the Bonds and the Indenture and such counsel's opinion as to the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds, present a fair and accurate summary of such provisions;

(iii) The Bonds are exempt from registration under the Securities Act of 1933, as amended;

(iv) The Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(v) The District has obtained all authorizations, approvals, consents, or other orders of the State or any other governmental authority or agency within the State having jurisdiction over the District for the valid authorization, issuance, and delivery by the District of the Bonds.

We have not undertaken any duty and expressly disclaim any responsibility to advise the addressee as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur), and we expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement. You have acknowledged that no attorney-client relationship exists between us with respect to any matters related to the Bonds.

This opinion is furnished by us to you and is solely for your benefit, and may not be relied upon by others without our prior written consent. Our engagement with respect to the Bonds has concluded with their delivery, and we disclaim any obligation to update this opinion.

Respectfully submitted,

Stradley Ronon Stevens & Young

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July 30, 2014

Stifel, Nicolaus & Company, Incorporated
San Francisco, California

Re: *$29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds*

Ladies and Gentlemen:

We have acted as disclosure counsel for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") in connection with the sale and issuance of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement, dated July 16, 2014 (the "Bond Purchase Agreement"), by and between you and the District. This letter is being delivered in satisfaction of the requirements of Section 3(c)(6) of the Bond Purchase Agreement, but no attorney-client relationship has existed or exists between you and our firm in connection with the issuance of the Bonds or by virtue of this letter.

In reaching the conclusions set forth herein, we have examined originals or copies certified or otherwise identified to our satisfaction of (i) the Bond Purchase Agreement, (ii) the Official Statement of the District relating to the Bonds, dated July 16, 2014, as supplemented through the date hereof (the "Official Statement"), (iii) Resolution No. 2014-272 adopted by the City Council of the City of Modesto on July 1, 2014, (iv) the Bond Indenture, dated as of July 1, 2014, by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee, (v) the letters, certificates and opinions delivered to you pursuant to the provisions of Section 3(c) of the Bond Purchase Agreement, and (vi) such other documents, certificates, instructions and records as we have considered necessary or appropriate as a basis for our opinion.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

Although we have not undertaken to check the accuracy, completeness or fairness of, or verified the information contained in, the Official Statement and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with representatives of the Community Facilities District, the Special Tax Consultant, yourselves and others, during which conferences the contents of the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in the preparation of the Official Statement as disclosure counsel to the District, and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, we do not believe that the Official Statement, as of its date and as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any financial, statistical and engineering data and forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, or any information about valuation, appraisals, absorption, archeological or environmental matters, Appendices A, C, F and G and any information about The Depository Trust Company, as to which no view is expressed). Finally, we advise you that, other than reviewing the various certificates and opinions required by Section 3(c) of the Bond Purchase Agreement regarding the Official Statement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof.

This letter is being rendered to you solely for your benefit in connection with your purchase of the Bonds from the District and is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor may it be relied upon by any other person without our prior written consent. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. No opinion is expressed herein as to the validity of the Bonds or with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

We have not undertaken any duty and expressly disclaim any responsibility to advise the addressee as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement. Our engagement with respect to the Bonds terminates upon their issuance.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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July 30, 2014

Stifel, Nicolaus & Company, Incorporated
San Francisco, California

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Assured Guaranty Municipal Corp.
New York, New York

Re: City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Tax Bonds, Series 2006

Ladies and Gentlemen:

Acting in our capacity as Bond Counsel for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), we have examined the proceedings for the issuance by the District of $29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds which are being issued on the date hereof pursuant to that certain Bond Indenture dated as of July 1, 2014, (the "Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee, for the purpose of refunding the above-referenced bonds (the "Refunded Bonds").

In rendering this opinion, we have reviewed the (i) Indenture, (ii) the Escrow Agreement dated as of July 1, 2014 (the "Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, (iii) the Trust Indenture dated as of March 1, 2006 (the "Prior Indenture") (iv) the Verification Report of Grant Thornton LLP, dated July 30, 2014, to the effect that amounts on deposit in the Escrow Fund established under the Escrow Agreement will be sufficient to pay the principal, redemption premium and all accrued interest due on the Refunded Bonds on September 1, 2014. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications.

Based upon and subject to the foregoing, it is our opinion that, assuming that the Escrow Bank has received the deposit of moneys specified in the Escrow Agreement, the pledge of Special Tax Revenues (as defined in the Prior Indenture) and other funds provided for in the Prior Indenture and all other obligations of the City of Modesto and the District under the Prior Indenture with respect to the Refunded Bonds shall cease and terminate, except as set forth in Section 9.1 of the Prior Indenture.

The opinions expressed herein are solely for your benefit in connection with the defeasance of the Refunded Bonds and may not be relied on in any manner or for any purpose by any other person or entity, nor may copies be delivered or furnished to any other party, nor may all or portions of this opinion be quoted, circulated, or referred to in any other document without our prior written consent.

The rendering of this opinion to you is undertaken in our capacity as Bond Counsel with respect to the defeasance of the Refunded Bonds and does not create an attorney-client relationship between us and any party other than the District with respect to the matters stated herein. We have not undertaken to advise you or any other person as to matters occurring after the date hereof or as to their effect, if any, on the matters stated herein, and we expressly disclaim any responsibility to do so. Our engagement with respect to the matters described herein terminates on the date hereof.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

City of Modesto

Office of the City Attorney

Adam U. Lindgren
City Attorney

Jose M. Sanchez
Assistant City Attorney

Tara M. Mazzanti
Sr. Deputy City Attorney

Roland R. Stevens
Special Counsel

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July 30, 2014

Stifel, Nicolaus & Company, Incorporated
1 Montgomery Street, 35th Floor
San Francisco, CA 94104

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019

Re: City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Tax Refunding Bonds

Ladies and Gentlemen:

I am the City Attorney for the City of Modesto (the "City") and counsel to the District, and in such capacity have represented the City in connection with the issuance and sale of the above-entitled Bonds in the aggregate principal amount of $29,320,000.00 (the "Bonds"), and in such connection am familiar with (i) the Charter of the City of Modesto; (ii) the Modesto Municipal Code; and (iii) the resolutions adopted by the Modesto City Council referred to in the following paragraphs.

Based on the foregoing, it is my opinion that:

1. The District is duly organized and validly existing under the Constitution and laws of the State as a community facilities district under the Mello-Roos Act;

2. The District has full legal right, power, and authority to execute and deliver the District Documents;

3. The District Documents have been duly authorized, executed, and delivered by the District and, assuming due authorization and execution by any other applicable parties thereto, the District Documents constitute the valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally, to the limitations of legal remedies against municipal corporations in the State of California, and to the application of equitable principles if equitable remedies are sought;

4. The City Council adopted the resolutions and ordinances forming the District, confirming the Special Taxes, approving the District Documents and authorizing the sale and issuance of the Bonds at meetings of the City Council which were called, held and conducted pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such resolutions and ordinances are now in full force and effect and have not been amended, modified or rescinded;

5. Except as disclosed in the Official Statement, to the best of my current, actual knowledge, after due inquiry, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board, or body, pending or threatened against the District or the City, acting on behalf of the District, for which the District or the City has been served, to restrain or enjoin the issuance of the Bonds, the collection of application of the Special Taxes, or the payment of principal of and interest on the Bonds, or in any way contesting the validity of the formation of the District, the Bonds, or the District Documents;

6. The execution and delivery of the District Documents, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District or the City, acting on behalf of the District, a breach of or default under any agreement or other instrument to which either is a party or by which either is bound or any existing law, regulation, court order or consent decree to which either is subject that the City Attorney has, in the exercise of customary professional diligence, recognized as applicable to the District and the transactions contemplated by the District Documents and the Formation Documents, and with respect to such conflict, breach or default, would materially adversely affect the ability of the District to pay

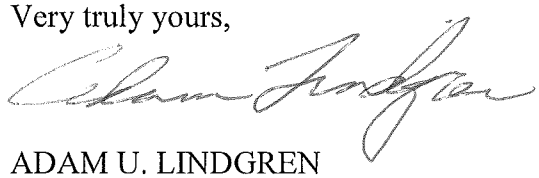
the principal or interest on the Bonds; and if any such agreement or instrument to which the City acting on behalf of the District or the District is a party is governed by the laws of a jurisdiction other than California, the City Attorney has assumed that such agreement or instrument is governed by the laws of California and

the City Attorney expresses no opinion as to the effect of the District's performance of its obligations under the District Documents and the Formation Documents on the District's compliance with its financial covenants in such other agreements or instruments, and

7. Except as disclosed in the Official Statement, the Special Taxes constituting the security for the Bonds have been duly and lawfully levied under and pursuant to the Act and constitute valid and legally binding liens on the properties on which they have been levied, subject to the effect of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights generally, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipalities in the State of California.

I am furnishing this letter as the City Attorney for the City of Modesto. No attorney-client relationship has existed or exists between me and the underwriter in connection with the issuance of the Bonds or by virtue of this letter. My opinion is as to the effect on this transaction only with respect to California and federal law. This letter is delivered solely for the benefit of the underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose by any person. This letter is not intended to, and may not, be relied upon the owners of the Bonds. Capitalized terms used herein but not otherwise defined shall have the meanings given thereto in the Bond Purchase Agreement dated July 16, 2014, by and between you and the Community Facilities District (the "Purchase Contract").

Very truly yours,



ADAM U. LINDGREN
City Attorney

AUL/vm

NOSSAMAN LLP

ATTORNEYS AT LAW

18101 Von Karman Avenue
Suite 1800
Irvine, CA 92612
T 949.833.7800
F 949.833.7878

Refer To File #: 190597-0038

July 30, 2014

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, CA 94104

Re: $29,320,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds

Ladies and Gentlemen:

We have acted as counsel for you, as the underwriter (the "Underwriter") named in the Bond Purchase Agreement (the "Purchase Contract"), dated July 16, 2014, between the Underwriter and the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), in connection with the purchase by the Underwriter of the above-entitled Bonds. The Bonds will be issued pursuant to the provisions of a Trust Indenture, dated as of July 1, 2014 (the "Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code (the "Act"). Capitalized terms herein, unless otherwise defined, shall have the meanings provided in the Indenture.

We have, as such counsel, examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, records, opinions of counsel, including the final approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel ("Bond Counsel"), the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as disclosure counsel ("Disclosure Counsel") and other instruments as we deemed necessary or appropriate for the purpose of this opinion. In rendering our opinion herein, we are not expressing any opinion or review on the validity, accuracy or sufficiency of documents, certificates or opinions that we have examined or on the authorization, execution, delivery or validity of the Bonds or the inclusion in or exclusion from gross income for federal income tax purposes, or the exemption from State of California personal income taxes, of interest on the Bonds. With your permission we have assumed and relied on the validity, accuracy and sufficiency of the records, documents, certificates and opinions relating to the issuance of the Bonds. Further, we have assumed, but not independently verified, that the signatures on all documents, certificates and opinions that we have reviewed are genuine.

Based on and subject to the foregoing, and in reliance thereon, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement was not to establish factual matters, and because of the wholly or partially non-legal character of many determinations involved in the preparation by Disclosure Counsel of the final official statement relating to the Bonds (the "Official Statement"), we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as counsel for you, we reviewed the contents of the Official Statement and related materials provided by Bond Counsel and Disclosure Counsel. Based solely on our review, and in reliance thereon and on the certificates, opinions and other documents we have reviewed, and without independent investigation, we advise you that no information has come to our attention which would cause us to believe that the Official Statement, as of its date (except for any financial, demographic or statistical data or forecasts contained in the Official Statement, the Appendices to the Official Statement, the Rate and Method of Apportionment of Special Tax, the validity of the Special Taxes levied upon any individual parcel, the value of property within the District or any information relating to the Insurer, The Depository Trust Company or the book-entry system included in the Official Statement, as to which we express no opinion) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is furnished by us solely for your benefit and solely with respect to your purchase of the Bonds, upon the understanding, as we have advised you, and as you have agreed, that we are not hereby assuming any professional responsibility to any other person whatsoever. Our opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without our express written permission; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. This opinion is not intended to, and may not, be relied upon by the District, Insurer, the City of Modesto, the Bond Owners or any other party to whom it is not specifically addressed.

Respectfully submitted,

LLP

LAW OFFICES OF
SAMUEL D. WALDMAN

64 OAK KNOLL DR.
SAN ANSELMO, CALIFORNIA 94960
TELEPHONE: (415) 459-4535
FACSIMILE: (415) 459-4747

July 30, 2014

City of Modesto Community Facilities
District No. 2004-1 (Village One #2)
Modesto, California

Stifel, Nicolaus & Company, Incorporated
San Francisco, California

Assured Guaranty Municipal Corp.
New York, New York

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

Ladies and Gentlemen:

I have acted as special counsel to The Bank of New York Mellon Trust Company, N.A. ("BNY") acting as (i) trustee under the Bond Indenture, dated as of July 1, 2014 (the "Indenture"), by and between the City of Modesto Community Facilities District No. 2004-1(Village One #2) (the "District") and BNY, (ii) escrow bank under that certain Escrow Agreement, dated as of July 1, 2014 (the "Escrow Agreement") by and between the District and BNY, with regard to the above-referenced bonds (the "Bonds"). Except as set forth herein, capitalized terms used in this opinion letter are defined as set forth in the Indenture. The Indenture and the Escrow Agreement are collectively referred to as the "Trustee Documents."

In my capacity as counsel to BNY, I have examined originals or copies identified to my satisfaction of: (i) the Articles of Association and By-Laws of BNY, (ii) the Indenture, (iii) the Escrow Agreement, (iv) such other records, certificates and documents as I have considered necessary or appropriate for the purpose of the opinion hereinafter rendered.

In rendering this opinion, I have relied upon the facts and information obtained from the records of BNY, officers of BNY, and other sources believed by me to be reliable, and have not undertaken to independently verify the accuracy of the factual matters represented, warranted, or

certified in such documents. I have assumed the genuineness of all signatures other than BNY's, the authenticity of documents, certificates and records submitted to me as originals, the conformity to the originals of all documents, certificates and records submitted to me as copies, the legal capacity of all natural persons executing documents other than BNY, and the completeness and accuracy as of the date of this opinion letter of the factual matters in such documents, certificates and records, which assumptions I have not independently verified. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions.

Based upon and subject to the foregoing and subject to the qualifications set forth below, I am of the opinion that:

(1) BNY is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into the Trustee Documents and accept and administer the trusts created under the Trustee Documents;

(2) The Trustee Documents have been duly authorized, executed and delivered by BNY, and, assuming due authorization, execution and delivery by the District, the Trustee Documents constitutes the legal, valid and binding obligations of BNY, enforceable in accordance with their terms, except as such enforcement thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, and other similar laws affecting the rights and remedies of creditors generally, and by the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding at law or in equity; and

(3) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over BNY that has not been obtained is or will be required for the execution and delivery of the Trustee Documents, or the consummation of the transactions contemplated by the Trustee Documents.

I express no opinion as to any matter other than as expressly set forth above, and, in conjunction therewith, I specifically express no opinion as to the status of the Bonds or the interest thereon under any federal securities laws, including but not limited to the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, or any state securities or

"Blue Sky" law, or any federal, state or local tax law.

This opinion is as of the date hereof, and I have undertaken no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein even though the changes may affect a legal analysis or conclusion in this opinion letter. Further, this opinion neither implies, nor should it be viewed to imply, an approval or recommendation of any investment in any Bond.

I express no opinion as to the effect of any law other than the law of California and the federal laws of the United States of America on the matters referred to herein, in each case as they exist on the date hereof. I express no opinion with respect to the laws, regulations, or ordinances of any county, municipal or other local governmental agency.

This opinion is furnished by me solely for your benefit. This opinion letter may be relied upon by you only in connection with the transaction described in the initial paragraph of this opinion letter and may not be used or relied upon by you for any other purpose or by any other person for any purpose whatsoever without, in each instance, my prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the Bonds.

Very truly yours,

Samuel D. Waldman

Samuel D. Waldman

ASSURED GUARANTY®
MUNICIPAL

July 30, 2014

Municipal Bond Insurance Policy No. 216167-N With Respect to
$11,650,000 In Aggregate Principal Amount of
City of Modesto Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds maturing on September 1, 2036

Ladies and Gentlemen:

I am Counsel of Assured Guaranty Municipal Corp., a New York stock insurance company ("AGM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by AGM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. AGM is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by AGM.

3. The Policy constitutes the valid and binding obligation of AGM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of AGM and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE – Bond Insurance Policy" in the official statement relating to the above-referenced Bonds dated July 16, 2014 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, the caption "BOND INSURANCE – Assured Guaranty Municipal Corp.".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,

Counsel

City of Modesto,
Financial Services, City Hall
1010 Tenth Street, Suite 5200,
Modesto, California 95353

Stifel, Nicolaus & Company,
as Representative of the Underwriters,
One Montgomery Street, 35th Floor,
San Francisco, California 94104

Assured Guaranty Municipal Corp.

31 West 52nd Street
New York, NY 10019

main 1 212 826 0100
fax 1 212 688 3101

info@assuredguaranty.com

www.assuredguaranty.com

ASSURED GUARANTY®
MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: City of Modesto Community Facilities District No. 2004-1 (Village One #2)

BONDS: $11,650,000 in aggregate principal amount of 2014 Special Tax Refunding Bonds maturing on September 1, 2036

Policy No.: 216167-N
Effective Date: July 30, 2014
Premium: $368,695.74

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

SPECIMEN

By _____ Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

ASSURED GUARANTY®
MUNICIPAL

ENDORSEMENT NO. 1 TO MUNICIPAL BOND INSURANCE POLICY (California Insurance Guaranty Association)

ISSUER: City of Modesto Community Facilities District No. 2004-1 (Village One #2)

BONDS: $11,650,000 in aggregate principal amount of 2014 Special Tax Refunding Bonds maturing on September 1, 2036

Policy No.: 216167-N

Effective Date: July 30, 2014

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the insurance provided by this Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____ Authorized Officer

SPECIMEN

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52ND Street, New York, New York 10019

(212) 826-0100

Form 560NY (CA 1/91)

NOTICE OF CLAIM AND CERTIFICATE

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019

The undersigned, a duly authorized officer of [FULL NAME OF TRUSTEE or PAYING AGENT] (the "Trustee/Paying Agent"), hereby certifies to Assured Guaranty Municipal Corp. ("AGM"), with reference to Municipal Bond Insurance Policy No. 216167-N dated July 30, 2014 (the "Policy") issued by AGM in respect of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds maturing on September 1, 2036 (the "Bonds"), that:

(i) The Trustee/Paying Agent is the Trustee/Paying Agent under the document authorizing the issuance of the Bonds (the "Indenture") for the Holders.

(ii) The sum of all amounts on deposit (or scheduled to be on deposit) in the [RELEVANT ACCOUNTS] and available for distribution to the Holders pursuant to the Indenture will be $_____ _____ (the "Shortfall") less than the aggregate amount of principal and interest Due for Payment on _____ ("Scheduled Payments").

(iii) The Trustee/Paying Agent is making a claim under the Policy for the Shortfall to be applied to the payment of Scheduled Payments.

(iv) The Trustee/Paying Agent agrees that, following receipt of funds from AGM, it shall (a) hold such amounts in trust and apply the same directly to the payment of Scheduled Payments on the Bonds when due; (b) not apply such funds for any other purpose; (c) not commingle such funds with other funds held by the Trustee/Paying Agent and (d) maintain an accurate record of such payments with respect to each Bond and the corresponding claim on the Policy and proceeds thereof, and, if the Bond is required to be [SURRENDERED/PRESENTED] for such payment, shall stamp on each such Bond the legend $"[insert applicable amount] paid by AGM and the balance hereof has been canceled and reissued" and then shall deliver such Bond to AGM.

(v) The Trustee/Paying Agent, on behalf of the Holders, hereby assigns to AGM the rights of the Holders with respect to the Bonds to the extent of any payments under the Policy, including, without limitation, any amounts due to the Holders in respect of securities law violations arising from the offer and sale of the Bonds. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to AGM in respect of such payments. Payments to AGM in respect of the foregoing assignment shall in all cases be subject to and subordinate to the rights of the Holders to receive all Scheduled Payments in respect of the Bonds. The Trustee/Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by AGM to effectuate the purpose or provisions of this clause (v).

(vi) The Trustee/Paying Agent, on its behalf and on behalf of the Holders, hereby appoints AGM as agent and attorney-in-fact for the Trustee/Paying Agent and each such Holder in any legal proceeding with respect to the Bonds. The Trustee/Paying Agent hereby agrees that, so long as AGM shall not be in default in its payment obligations under the Policy, AGM may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim in connection with an Insolvency

Proceeding seeking the avoidance as a preferential transfer of any payment made with respect to the Bonds (a "Preference Claim"), (B) the direction of any appeal of any order relating to any Preference Claim at the expense of AGM but subject to reimbursement as provided in the Indenture and (C) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, the Trustee/Paying Agent hereby agrees that AGM shall be subrogated to, and the Trustee/Paying Agent on its behalf and on behalf of each Holder, hereby delegates and assigns, to the fullest extent permitted by law, the rights of the Trustee/Paying Agent and each Holder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(vii) Payment should be made by wire transfer directed to [SPECIFY INSURANCE ACCOUNT].

Unless the context otherwise requires, capitalized terms used in this Notice of Claim and Certificate and not defined herein shall have the meanings provided in the Policy.

IN WITNESS WHEREOF, the Trustee/Paying Agent has executed and delivered this Notice of Claim and Certificate as of the _____ day of _____, _____.

By_____

Title_____

For AGM or
Fiscal Agent Use Only
Wire transfer sent on _____ By _____
Confirmation Number _____

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF ASSURED GUARANTY MUNICIPAL CORP.

The undersigned hereby certifies on behalf of Assured Guaranty Municipal Corp. ("AGM"), in connection with the issuance by AGM of its Policy No. 216167-N (the "Policy") in respect of the $11,650,000 in aggregate principal amount of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds maturing on September 1, 2036 (the "Bonds") that:

(i) the information set forth under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." in the official statement dated July 16, 2014, relating to the Bonds (the "Official Statement") is true and correct,

(ii) AGM is not currently in default nor has AGM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,

(iii) the Policy is an unconditional and recourse obligation of AGM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),

(iv) the insurance premium of $368,695.74 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to AGM as a condition to the issuance of the Policy,

(v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by AGM to maintain its ratings, which, together with all other overhead expenses of AGM, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),

(vi) AGM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, AGM will not use any portion of the Bond proceeds; provided, however, that AGM or its affiliates may independently provide a guaranteed investment contract for the investment of all or a portion of the proceeds of the Bonds,

(vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by AGM,

(viii) AGM does not expect that a claim will be made on the Policy,

(ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and

(x) for Bonds which are secured by a debt service reserve fund, AGM would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

AGM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

ASSURED GUARANTY MUNICIPAL CORP.

By: _____
Authorized Officer

Dated: July 30, 2014

RULE 15c2-12 CERTIFICATE OF BOND INSURER

The undersigned hereby certifies to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") on behalf of Assured Guaranty Municipal Corp. ("AGM"), as issuer of a municipal bond insurance policy (the "Policy") with respect to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds maturing on September 1, 2036 (the "Bonds"):

(1) that the preliminary official statement dated July 9, 2014 (the "Official Statement"), as to only the information set forth under the section entitled "BOND INSURANCE", was final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12; and

(2) In giving this certificate AGM does not admit that it comes within the definition of Issuer of Municipal Securities for purposes of Rule 15c2-12.

ASSURED GUARANTY MUNICIPAL CORP.

By:_____
Authorized Officer

Dated: July 30, 2014

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
reference no.: 40436119

July 21, 2014

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019
Attention: Mr. Richard Bauerfeld, Chief Surveillance Officer

Re: ***$11,650,000 City of Modesto Community Facilities District No. 2004-1 (Village One #2), 2014 Special Tax Refunding Bonds, date: Delivery Date, due: September 1, 2036, (POLICY #216167-N)***

Dear Mr. Bauerfeld:

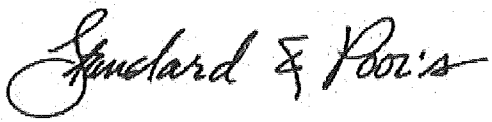
Standard & Poor's Ratings Services ("Ratings Services") has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating from "BBB-" to "AA" on the above obligations. The rating on the above obligations is based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the latter, please notify us of any changes or amendments over the term of the debt.

The credit ratings and other views of Ratings Services are statements of opinion and not statements of fact. Credit ratings and other views of Ratings Services are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,



Standard & Poor's Ratings Services

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STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Credit Ratings

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STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

One California Street, 31st Floor
San Francisco, CA 94111-5432
tel 415 371-5000
reference no.: 1349841

July 2, 2014

City of Modesto
Finance Department
1010 Tenth Street, Suite 5200
P.O. Box 642
Modesto, CA 95353--0000
Attention: Ms. Gloriette Genereux, Director of Finance

Re: ***US$28,525,000 Modesto Community Facilities District, California, Refunding Bonds, Series 2014, dated: Date of delivery, due: September 01, 2036***

Dear Ms. Genereux:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") rating on the above-referenced obligations, Ratings Services has assigned a rating of "BBB-". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

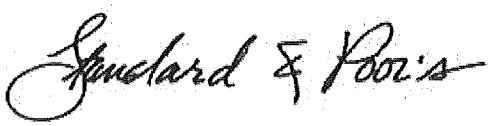
Please send hard copies to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,



Standard & Poor's Ratings Services

sb
enclosures
cc: Mr. Ralph Holmes, Managing Director
Stifel, Nicolaus & Company, Incorporated

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Credit Ratings

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STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Summary:

Modesto Community Facilities District, California; Special Assessments

Primary Credit Analyst:
Kate R Burroughs, San Francisco (1) 415-371-5081; kathleen.burroughs@standardandpoors.com

Secondary Contact:
Kaiti Wang, San Francisco (1) 415-371-5084; kaiti.wang@standardandpoors.com

Table Of Contents

Summary:

Modesto Community Facilities District, California; Special Assessments

Credit Profile		
US$28.525 mil rfdg bnds ser 2014 due 09/01/2036		
Long Term Rating	BBB-/Stable	New

Rationale

Standard & Poor's Ratings Services assigned its 'BBB-' long-term rating to Modesto Community Facilities District, Calif.'s series 2014 special tax refunding bonds. The outlook is stable.

The rating reflects our view of the district's:

- Relatively small size of 286 net taxable acres;
- Only partially built-out status being 76% developed;
- Low direct and overlapping value to lien (VTL) of 9.2-to-1; and
- High effective tax rate.

These weaknesses are somewhat offset by the closed lien on parity debt and low delinquencies.

The bonds are special obligations of the district and are payable from net special taxes levied on taxable property within the district based on the property's tax zone, development status, land-use class, and net taxable acreage . The special tax is expected to be collected by Stanislaus County at the same time and manner as the property owners' property taxes. Bond proceeds will be used to refund the entirety of the district's series 2006 bonds.

The district was encompasses 286 net taxable acres within the area known as Village One within the city of Modesto. About 76% of the district's 1,424 parcels are considered developed, measured as having improvement on the property. Of the assessments on developed property, about 75% come from single-family residences, with the remaining 24% from multi-family residences and commercial developments. At build out, about 20 acres are expected to be developed for commercial and office space, while the remainder will house 524 apartment units and about 1,400 single-family residences. After three years of an aggregate 13% decrease in assessed value (AV), district AV increased by 4% in fiscal 2014 to $350 million. This translates to what we consider a low direct VTL of 12.3-to-1 and low direct and overlapping VTL of 9.2-to-1. Only 2.6% of the levied 2014 assessments come from parcels with a direct and overlapping VTL of less than 5-to-1, however this is largely due to the fact that the levy is applied at maximum tax to developed property, which generally has a higher value to lien, while undeveloped property is taxed well below the maximum tax. An additional 75.9% of 2014 assessments come from properties with a value to lien of between 5-to-1 and 10-to-1.

The tax base is relatively diverse in our opinion, with the top two taxpayers comprising 9.2% of the 2014 levy and the

top 10 taxpayers comprising 17.3% of the fiscal 2014 levy. The top two taxpayers are developed multi-family residences, and three of the top 10 taxpayers are developers. The delinquency rate for fiscal 2013 was very low in our opinion at 0.3%, down from a high of 8.1% in fiscal 2008. The district's effective tax rate is relatively high in our opinion at just under 2.0%.

Bond provisions include a debt service reserve funded at the lesser of maximum annual debt service (MADS), 125% of average annual debt service, or 10% of original bond proceeds. We understand the reserve will be in the form of cash. The lien is closed except for refunding purposes.

We understand that management has not historically levied at the maximum tax on all properties. Management is currently levying at the maximum tax on developed property and only levies undeveloped property at a level to achieve the 1x debt service plus administrative expenses. If the district were to levy at the max tax, coverage would increase to 1.32x to 1.34x and we calculate that, including the 2% escalator in debt service, the district could withstand a permanent delinquency of 29%. When including only developed property, coverage decreases to 0.94x. After refunding, we understand this will be higher but still below 1.0x coverage. However, the district could still withstand the permanent delinquency from the top 10 taxpayers for seven years when including only developed property. We also calculate that the district could withstand a permanent delinquency from all properties with a VTL of less than 5-to-1.

The city has covenanted to pursue judicial foreclosure against properties with delinquent special taxes on three consecutive payments, against all properties with delinquent special taxes if community facilities district tax delinquencies exceed 5% of the pledged tax by Sept. 1 following the close of the year the taxes were due.

The city of Modesto is located in Stanislaus County about 90 miles east of San Francisco. Incomes are good on a median household basis with effective buying income at 92% of the nation, however on a per capita basis, are only adequate in our opinion at 79%. The city's unemployment rate is relatively high at 11.2% for fiscal 2013.

Outlook

The stable outlook reflects our view of the district's closed lien, and the fixed nature of the maximum permitted tax, which does not fluctuate with property values. If further development or natural AV growth were to increase the district's overall value-to-lien ratio and lower the effective tax rate, we could raise the rating. Due to the district's closed lien and good coverage levels at the maximum tax, we do not anticipate lowering the rating during the two-year horizon of the outlook.

Related Criteria And Research

Related Criteria

USPF Criteria: Special-Purpose Districts, June 14, 2007

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings

affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CERTIFICATE OF SPECIAL TAX CONSULTANT/DISSEMINATION AGENT

Goodwin Consulting Group, Inc. (the "Special Tax Consultant/Dissemination Agent") has been retained as Special Tax administrator for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") and has reviewed the rate and method of apportionment of special tax for the District (the "Rate and Method"), a copy of which is set forth in Appendix A to the Official Statement, dated July 16, 2014 (the "Official Statement") relating to the above-captioned bonds (the "Bonds").

Based upon such review, the Special Tax Consultant/Dissemination Agent hereby certifies that:

1. The Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the date hereof, would generate at least 110% of the sum of the maximum annual debt service payable on the Bonds, plus the Administrative Expenses, based on such assumptions and qualifications as shall be acceptable to the Underwriter, which were relied upon by Special Tax Consultant/Dissemination Agent, are substantially true and correct.

2. The Special Tax Consultant/Dissemination Agent has reviewed the Preliminary Official Statement and Official Statement, and the statements concerning the Rate and Method of Apportionment and all statistical, financial and other data set forth in the tables and described in the Official Statement which were derived from information supplied by the Special Tax Consultant for use in the Official Statement as of the date of the Official Statement and as of the date hereof are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and no events or occurrences have been ascertained by the Special Tax Consultant or have come to its attention that would substantially change such information set forth in the Official Statement.

The Special Tax Consultant/Dissemination Agent further hereby states and certifies with respect to the Continuing Disclosure Agreement dated as of July 1, 2014 (the "Continuing Disclosure Agreement"), between the District and Special Tax Consultant/Dissemination Agent:

(1) The Special Tax Consultant/Dissemination Agent has the full power and authority to enter into and perform its duties under the Continuing Disclosure Agreement.

(2) The Continuing Disclosure Agreement has been duly authorized, executed and delivered by Special Tax Consultant/Dissemination Agent, and is a legal, valid and binding agreement of the Special Tax Consultant/Dissemination Agent enforceable upon the Special Tax Consultant/Dissemination Agent in accordance with its respective terms.

Dated: July 30, 2014

GOODWIN CONSULTING GROUP, INC.

By: Victor [illegible]
Authorized Officer

$29,320,000
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
2014 SPECIAL TAX REFUNDING BONDS

CLOSING CERTIFICATE OF FINANCIAL ADVISOR

The undersigned, on behalf of Public Financial Management, Inc. (the "Financial Advisor"), hereby makes the following certifications pursuant to Section 3(c) the Bond Purchase Agreement, dated July 16, 2014 (the "Purchase Agreement"), by and between the City of Modesto, California (the "City"), for itself and on behalf of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), and Stifel, Nicolaus & Company, Incorporated, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

(1) The undersigned is an authorized officer of the Financial Advisor, which acted as financial advisor to the City in connection with the issuance and sale of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds (the "Bonds"), and as such is familiar with the facts herein certified and authorized and qualified to certify the same.

(2) While the Financial Advisor has not independently verified or undertaken an independent investigation of the information in the Preliminary Official Statement and the Official Statement, based on its participation in the preparation and review of the Preliminary Official Statement and the Official Statement, no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement and the Official Statement is as of the date of delivery of the Bonds, not true or correct in all material respects, or that the Preliminary Official Statement and the Official Statement contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading in light of the circumstances under which it was made.

Dated: July 30, 2014

PUBLIC FINANCIAL MANAGEMENT, INC.

By: _____
Authorized Officer

Cash Flow and Yield Verification Report

City of Modesto, California

July 30, 2014

Contents

Grant Thornton

Grant Thornton LLP
200 S 6th Street, Suite 1400
Minneapolis, MN 55402-1434

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F 612.332.8361
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twitter.com/GrantThorntonUS

Report of Independent Certified Public Accountants
On Applying Agreed-Upon Procedures

City of Modesto
1010 Tenth Street
Modesto, California

Stradling Yocca Carlson & Rauth,
A Professional Corporation
660 Newport Drive, Suite 1600
Newport Beach, California

Public Financial Management, Inc.
50 California Street, Suite 2300
San Francisco, California

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California

The Bank of New York Mellon
Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, California

Assured Guaranty Municipal Corp.
1550 Spear Tower
San Francisco, California

$29,320,000
City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds
Dated July 30, 2014

We have performed the procedures described in this report, which were agreed to by the Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, California (the "Community Facilities District") and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Underwriter. The Underwriter is responsible for these schedules. These procedures were performed solely to assist you in the issuance of the above-captioned bond issue (the "Bonds") for the purpose of current refunding the Community Facilities District's Special Tax Bonds, Series 2006 (the "Refunded Bonds") as summarized on the next page. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Series	Principal Issued	Dated	Principal Refunded	Maturities Refunded	Redemption Date	Redemption Price
2006	$31,085,000	March 22, 2006	$29,925,000	9-1-14 to 9-1-19, 9-1-21, 9-1-26 and 9-1-36	9-1-14	102%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

The Underwriter provided us with schedules (Appendix I) summarizing the future escrow account cash deposit and disbursement. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal, interest and redemption premium on the Refunded Bonds assuming the Refunded Bonds maturing on and after September 1, 2015 will be redeemed on September 1, 2014 at 102 percent of par plus accrued interest.

The attached Exhibit A (Schedule of Sources and Uses of Funds) was compiled based upon information provided by the Underwriter.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B and B-1 independently calculating the future escrow account cash deposit and disbursement and compared the information used in our calculations to the information listed below contained in applicable pages of the following document:

- Official Statement for the Refunded Bonds provided by the Underwriter insofar as the Refunded Bonds are described as to the maturity and interest payment dates, principal amounts, interest rates and optional redemption date and price.

Our procedures, as summarized in Exhibits B and B-1, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the future escrow account cash deposit and disbursement. The schedules provided by the Underwriter and those prepared by us reflect that the cash deposit of $31,279,653.75 to be deposited into the escrow account on July 30, 2014, will be sufficient to pay, when due, the principal, interest and redemption premium related to the Refunded Bonds assuming the Refunded Bonds maturing on and after September 1, 2015 will be redeemed on September 1, 2014 at 102 percent of par plus accrued interest.

VERIFICATION OF YIELD

The Underwriter provided us with schedules (Appendix I) which indicate the yield on the Bonds. These schedules were prepared based on the assumed settlement date of July 30, 2014 using a 360-day year with interest compounded semi-annually. The term "yield", as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be paid on an obligation produces an amount equal to, in the case of the Bonds, the issue price adjusted for the bond insurance premium of $368,695.74. In addition, we found that the schedules provided by the Underwriter, which assume the redemption of the September 1, 2025 through September 1, 2031 maturities identified on Exhibits C and C-1 at par on September 1, 2024 plus accrued interest, correctly treat those Bonds as yield-to-call Bonds as retired on the respective dates that for each Certificate produces the lowest yield for the issue that includes the Bonds. Those Bonds identified as yield-to-call Bonds on the attached Exhibits C and C-1 are those Bonds that are subject to optional redemption and that are issued at an issue price that exceeds the stated redemption price at

maturity of such Bonds by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity of such Bonds and the number of complete years to the first optional redemption date for the Bonds. We found that there are no other yield-to-call Bonds other than those identified on the attached Exhibits C and C-1.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared a schedule attached hereto as Exhibit C independently calculating the yield on the Bonds using the Official Statement provided by the Underwriter insofar as the Bonds are described as to the maturity and interest payment dates, dated date, principal amounts, interest rates, optional redemption date and price, and issue price to the public. The result of our calculations, based on the aforementioned assumptions, is summarized below:

	Yield	Exhibit
• Yield on the Bonds	4.027292%	C

Our procedures, as summarized in Exhibit C, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the yield. The schedules provided by the Underwriter and the schedule prepared by us reflect that the yield on the Bonds is as shown in our report.

* * * * * *

We were not engaged to, and did not, conduct an examination or a review in accordance with attestation standards established by the American Institute of Certified Public Accountants, the objective of which would be the expression of an examination opinion or limited assurance on the items referred to above. Accordingly we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of those to whom this letter is addressed and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Minneapolis, Minnesota
July 30, 2014

Exhibit A

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

SCHEDULE OF SOURCES AND USES OF FUNDS

July 30, 2014

SOURCES:	
Principal amount of the Bonds	$29,320,000.00
Net original issue premium	1,472,057.05
Prior Debt Service Reserve Fund	2,892,153.59
Funds on hand for September 1, 2014 payment	1,108,053.75
Amounts from Interest Account	0.63
Amounts in Project Fund	6,383.04
	$34,798,648.06

USES:	
Deposit to Refunding Escrow	$31,279,653.75
Deposit to Debt Service Reserve Fund	2,735,200.00
Costs of issuance	216,800.00
Underwriter's discount	193,730.29
Bond insurance premium	368,695.74
Contingency	4,568.28
	$34,798,648.06

Exhibit B

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

ESCROW ACCOUNT CASH FLOW

Dates	Debt service payment on Refunded Bonds (Exhibit B-1)	Cash balance
Cash deposit on July 30, 2014		$31,279,653.75
09-01-14	$31,279,653.75	0.00
	$31,279,653.75	

Exhibit B-1

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

DEBT SERVICE PAYMENT ON THE REFUNDED BONDS

Date	Principal	Interest rate	Interest	Premium	Debt service payment
09-01-14	$29,925,000	(1)	$763,053.75	$591,600.00	$31,279,653.75

(1) Actual maturity dates, principal amounts and interest rates are as follows:

Maturity date	Principal amount	Interest rate
09-01-14	$345,000	4.600%
09-01-15	395,000	4.700%
09-01-16	450,000	4.750%
09-01-17	515,000	4.850%
09-01-18	580,000	4.900%
09-01-19	645,000	4.900%
09-01-21	1,515,000	5.000%
09-01-26	5,350,000	5.100%
09-01-36	20,130,000	5.150%
	$29,925,000	

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

	$29,320,000 issue dated July 30, 2014					
Date	Principal	Interest rate	Interest	Total debt service	(1) Adjusted debt service	Present value on July 30, 2014 using a yield of 4.027292%
03-01-15			$771,219.65	$771,219.65	$771,219.65	$753,405.30
09-01-15	$320,000	2.000%	657,912.50	977,912.50	977,912.50	936,466.65
03-01-16			654,712.50	654,712.50	654,712.50	614,588.85
09-01-16	475,000	3.000%	654,712.50	1,129,712.50	1,129,712.50	1,039,546.00
03-01-17			647,587.50	647,587.50	647,587.50	584,138.68
09-01-17	535,000	4.000%	647,587.50	1,182,587.50	1,182,587.50	1,045,664.89
03-01-18			636,887.50	636,887.50	636,887.50	552,031.29
09-01-18	595,000	4.000%	636,887.50	1,231,887.50	1,231,887.50	1,046,679.58
03-01-19			624,987.50	624,987.50	624,987.50	520,541.99
09-01-19	655,000	4.500%	624,987.50	1,279,987.50	1,279,987.50	1,045,037.55
03-01-20			610,250.00	610,250.00	610,250.00	488,400.03
09-01-20	725,000	5.000%	610,250.00	1,335,250.00	1,335,250.00	1,047,543.86
03-01-21			592,125.00	592,125.00	592,125.00	455,370.36
09-01-21	805,000	5.000%	592,125.00	1,397,125.00	1,397,125.00	1,053,242.45
03-01-22			572,000.00	572,000.00	572,000.00	422,698.64
09-01-22	890,000	5.000%	572,000.00	1,462,000.00	1,462,000.00	1,059,068.20
03-01-23			549,750.00	549,750.00	549,750.00	390,376.37
09-01-23	980,000	5.000%	549,750.00	1,529,750.00	1,529,750.00	1,064,830.49
03-01-24			525,250.00	525,250.00	525,250.00	358,399.84
09-01-24	1,070,000	5.000%	525,250.00	1,595,250.00	12,215,250.00	8,170,447.41
03-01-25			498,500.00	498,500.00	233,000.00	152,771.07
09-01-25	1,170,000	5.000%	498,500.00	1,668,500.00	233,000.00	149,755.53
03-01-26			469,250.00	469,250.00	233,000.00	146,799.51
09-01-26	1,275,000	5.000%	469,250.00	1,744,250.00	233,000.00	143,901.83
03-01-27			437,375.00	437,375.00	233,000.00	141,061.36
09-01-27	1,385,000	5.000%	437,375.00	1,822,375.00	233,000.00	138,276.95
03-01-28			402,750.00	402,750.00	233,000.00	135,547.50
09-01-28	1,505,000	5.000%	402,750.00	1,907,750.00	233,000.00	132,871.93
03-01-29			365,125.00	365,125.00	233,000.00	130,249.18
09-01-29	1,625,000	5.000%	365,125.00	1,990,125.00	233,000.00	127,678.19
03-01-30			324,500.00	324,500.00	233,000.00	125,157.95
09-01-30	1,760,000	5.000%	324,500.00	2,084,500.00	233,000.00	122,687.46
03-01-31			280,500.00	280,500.00	233,000.00	120,265.73
09-01-31	1,900,000	5.000%	280,500.00	2,180,500.00	233,000.00	117,891.81

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

	$29,320,000 issue dated July 30, 2014					Present value on
Date	Principal	Interest rate	Interest	Total debt service	(1) Adjusted debt service	July 30, 2014 using a yield of 4.027292%
03-01-32			233,000.00	233,000.00	233,000.00	115,564.75
09-01-32	2,045,000	4.000%	233,000.00	2,278,000.00	2,278,000.00	1,107,553.97
03-01-33			192,100.00	192,100.00	192,100.00	91,554.62
09-01-33	2,185,000	4.000%	192,100.00	2,377,100.00	2,377,100.00	1,110,560.17
03-01-34			148,400.00	148,400.00	148,400.00	67,962.65
09-01-34	2,320,000	4.000%	148,400.00	2,468,400.00	2,468,400.00	1,108,137.47
03-01-35			102,000.00	102,000.00	102,000.00	44,886.94
09-01-35	2,470,000	4.000%	102,000.00	2,572,000.00	2,572,000.00	1,109,513.35
03-01-36			52,600.00	52,600.00	52,600.00	22,242.78
09-01-36	2,630,000	4.000%	52,600.00	2,682,600.00	2,682,600.00	1,111,990.17
	$29,320,000		$19,268,432.15	$48,588,432.15	$46,294,432.15	$30,423,361.31

The present value of the future payments is equal to:

Principal amount of the Bonds	$29,320,000.00
Net original issue premium	1,472,057.05
Bond insurance premium	(368,695.74)
	$30,423,361.31

The sum of the present values of the adjusted debt service payments of the Bonds on July 30, 2014, using a yield of 4.027292%, is equal to the issue price of the Bonds adjusted for the bond insurance premium.

(1) Assumes that the September 1, 2025 through December 1, 2031 maturities are called on September 1, 2024 at 100 percent of par plus accrued interest.

Exhibit C-1

City of Modesto, California
Community Facilities District No. 2004-1 (Village One #2)

NET ORIGINAL ISSUE PREMIUM ON THE BONDS

Maturity date	Principal	Interest rate	Yield	Initial public offering price	Net original issue premium (discount)
09-01-15	$320,000	2.000%	0.610%	101.502%	$4,806.40
09-01-16	475,000	3.000%	0.910%	104.308%	20,463.00
09-01-17	535,000	4.000%	1.310%	108.109%	43,383.15
09-01-18	595,000	4.000%	1.740%	108.875%	52,806.25
09-01-19	655,000	4.500%	2.140%	111.314%	74,106.70
09-01-20	725,000	5.000%	2.460%	114.273%	103,479.25
09-01-21	805,000	5.000%	2.820%	113.911%	111,983.55
09-01-22	890,000	5.000%	3.080%	113.647%	121,458.30
09-01-23	980,000	5.000%	3.310%	113.165%	129,017.00
09-01-24	1,070,000	5.000%	3.440%	113.197%	141,207.90
09-01-25	1,170,000	5.000%	3.550%	112.200% (1) (2)	142,740.00
09-01-26	1,275,000	5.000%	3.700%	110.857% (1) (2)	138,426.75
09-01-27	1,385,000	5.000%	3.810%	109.885% (1) (2)	136,907.25
09-01-28	1,505,000	5.000%	3.920%	108.922% (1) (2)	134,276.10
09-01-29	1,625,000	5.000%	4.000%	108.229% (1) (2)	133,721.25
09-01-30	1,760,000	5.000%	4.070%	107.627% (1) (2)	134,235.20
09-01-31	1,900,000	5.000%	4.140%	107.028% (1) (2)	133,532.00
09-01-36	11,650,000	4.000%	4.170%	97.558%	(284,493.00)
	$29,320,000				$1,472,057.05

(1) Maturity was priced to call on September 1, 2024 at 100 percent of par.

(2) Represents the yield-to-call Bonds included for purposes of computing yield on the Bonds.

APPENDIX I

Applicable schedules provided by
Stifel, Nicolaus & Company, Incorporated

SOURCES AND USES OF FUNDS

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

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Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

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Dated Date	07/30/2014
Delivery Date	07/30/2014

Sources:	
Bond Proceeds:	
Par Amount	29,320,000.00
Net Premium	1,472,057.05
	30,792,057.05
Other Sources of Funds:	
Prior DSRF	2,892,153.59
Funds on Hand for 9/1/14 Payment	1,108,053.75
Amounts from Interest Account	0.63
Amounts in Project Fund	6,383.04
	4,006,591.01
	34,798,648.06

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	31,279,653.75
Other Fund Deposits:	
Debt Service Reserve Fund	2,735,200.00
Delivery Date Expenses:	
Cost of Issuance	216,800.00
Underwriter's Discount	193,730.29
Bond Insurance (175 bps)	368,695.74
	779,226.03
Other Uses of Funds:	
Additional Proceeds	4,568.28
	34,798,648.06

ESCROW REQUIREMENTS

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
09/01/2014	345,000.00	763,053.75	29,580,000.00	591,600.00	31,279,653.75
	345,000.00	763,053.75	29,580,000.00	591,600.00	31,279,653.75

SUMMARY OF BONDS REFUNDED

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
CFD No. 2003-1 Special Tax Bonds, Series 2006:					
Serial Bond	09/01/2014	4.600%	345,000.00		
	09/01/2015	4.700%	395,000.00	09/01/2014	102.000
	09/01/2016	4.750%	450,000.00	09/01/2014	102.000
	09/01/2017	4.850%	515,000.00	09/01/2014	102.000
	09/01/2018	4.900%	580,000.00	09/01/2014	102.000
	09/01/2019	4.900%	645,000.00	09/01/2014	102.000
2021 Term Bond	09/01/2020	5.000%	720,000.00	09/01/2014	102.000
	09/01/2021	5.000%	795,000.00	09/01/2014	102.000
2026 Term Bond	09/01/2022	5.100%	880,000.00	09/01/2014	102.000
	09/01/2023	5.100%	970,000.00	09/01/2014	102.000
	09/01/2024	5.100%	1,065,000.00	09/01/2014	102.000
	09/01/2025	5.100%	1,165,000.00	09/01/2014	102.000
	09/01/2026	5.100%	1,270,000.00	09/01/2014	102.000
2036 Term Bond	09/01/2027	5.150%	1,380,000.00	09/01/2014	102.000
	09/01/2028	5.150%	1,500,000.00	09/01/2014	102.000
	09/01/2029	5.150%	1,625,000.00	09/01/2014	102.000
	09/01/2030	5.150%	1,760,000.00	09/01/2014	102.000
	09/01/2031	5.150%	1,905,000.00	09/01/2014	102.000
	09/01/2032	5.150%	2,055,000.00	09/01/2014	102.000
	09/01/2033	5.150%	2,215,000.00	09/01/2014	102.000
	09/01/2034	5.150%	2,380,000.00	09/01/2014	102.000
	09/01/2035	5.150%	2,560,000.00	09/01/2014	102.000
	09/01/2036	5.150%	2,750,000.00	09/01/2014	102.000
			29,925,000.00		

BOND DEBT SERVICE

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2015			771,219.65	771,219.65	
09/01/2015	320,000	2.000%	657,912.50	977,912.50	1,749,132.15
03/01/2016			654,712.50	654,712.50	
09/01/2016	475,000	3.000%	654,712.50	1,129,712.50	1,784,425.00
03/01/2017			647,587.50	647,587.50	
09/01/2017	535,000	4.000%	647,587.50	1,182,587.50	1,830,175.00
03/01/2018			636,887.50	636,887.50	
09/01/2018	595,000	4.000%	636,887.50	1,231,887.50	1,868,775.00
03/01/2019			624,987.50	624,987.50	
09/01/2019	655,000	4.500%	624,987.50	1,279,987.50	1,904,975.00
03/01/2020			610,250.00	610,250.00	
09/01/2020	725,000	5.000%	610,250.00	1,335,250.00	1,945,500.00
03/01/2021			592,125.00	592,125.00	
09/01/2021	805,000	5.000%	592,125.00	1,397,125.00	1,989,250.00
03/01/2022			572,000.00	572,000.00	
09/01/2022	890,000	5.000%	572,000.00	1,462,000.00	2,034,000.00
03/01/2023			549,750.00	549,750.00	
09/01/2023	980,000	5.000%	549,750.00	1,529,750.00	2,079,500.00
03/01/2024			525,250.00	525,250.00	
09/01/2024	1,070,000	5.000%	525,250.00	1,595,250.00	2,120,500.00
03/01/2025			498,500.00	498,500.00	
09/01/2025	1,170,000	5.000%	498,500.00	1,668,500.00	2,167,000.00
03/01/2026			469,250.00	469,250.00	
09/01/2026	1,275,000	5.000%	469,250.00	1,744,250.00	2,213,500.00
03/01/2027			437,375.00	437,375.00	
09/01/2027	1,385,000	5.000%	437,375.00	1,822,375.00	2,259,750.00
03/01/2028			402,750.00	402,750.00	
09/01/2028	1,505,000	5.000%	402,750.00	1,907,750.00	2,310,500.00
03/01/2029			365,125.00	365,125.00	
09/01/2029	1,625,000	5.000%	365,125.00	1,990,125.00	2,355,250.00
03/01/2030			324,500.00	324,500.00	
09/01/2030	1,760,000	5.000%	324,500.00	2,084,500.00	2,409,000.00
03/01/2031			280,500.00	280,500.00	
09/01/2031	1,900,000	5.000%	280,500.00	2,180,500.00	2,461,000.00
03/01/2032			233,000.00	233,000.00	
09/01/2032	2,045,000	4.000%	233,000.00	2,278,000.00	2,511,000.00
03/01/2033			192,100.00	192,100.00	
09/01/2033	2,185,000	4.000%	192,100.00	2,377,100.00	2,569,200.00
03/01/2034			148,400.00	148,400.00	
09/01/2034	2,320,000	4.000%	148,400.00	2,468,400.00	2,616,800.00
03/01/2035			102,000.00	102,000.00	
09/01/2035	2,470,000	4.000%	102,000.00	2,572,000.00	2,674,000.00
03/01/2036			52,600.00	52,600.00	
09/01/2036	2,630,000	4.000%	52,600.00	2,682,600.00	2,735,200.00
	29,320,000		19,268,432.15	48,588,432.15	48,588,432.15

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Date	Debt Service	Present Value to 07/30/2014 @ 4.0272915638%
03/01/2015	771,219.65	753,405.30
09/01/2015	977,912.50	936,466.65
03/01/2016	654,712.50	614,588.85
09/01/2016	1,129,712.50	1,039,546.00
03/01/2017	647,587.50	584,138.68
09/01/2017	1,182,587.50	1,045,664.89
03/01/2018	636,887.50	552,031.29
09/01/2018	1,231,887.50	1,046,679.58
03/01/2019	624,987.50	520,541.99
09/01/2019	1,279,987.50	1,045,037.55
03/01/2020	610,250.00	488,400.03
09/01/2020	1,335,250.00	1,047,543.86
03/01/2021	592,125.00	455,370.36
09/01/2021	1,397,125.00	1,053,242.45
03/01/2022	572,000.00	422,698.64
09/01/2022	1,462,000.00	1,059,068.20
03/01/2023	549,750.00	390,376.37
09/01/2023	1,529,750.00	1,064,830.49
03/01/2024	525,250.00	358,399.84
09/01/2024	12,215,250.00	8,170,447.41
03/01/2025	233,000.00	152,771.07
09/01/2025	233,000.00	149,755.53
03/01/2026	233,000.00	146,799.51
09/01/2026	233,000.00	143,901.83
03/01/2027	233,000.00	141,061.36
09/01/2027	233,000.00	138,276.95
03/01/2028	233,000.00	135,547.50
09/01/2028	233,000.00	132,871.93
03/01/2029	233,000.00	130,249.18
09/01/2029	233,000.00	127,678.19
03/01/2030	233,000.00	125,157.95
09/01/2030	233,000.00	122,687.46
03/01/2031	233,000.00	120,265.73
09/01/2031	233,000.00	117,891.81
03/01/2032	233,000.00	115,564.75
09/01/2032	2,278,000.00	1,107,553.97
03/01/2033	192,100.00	91,554.62
09/01/2033	2,377,100.00	1,110,560.17
03/01/2034	148,400.00	67,962.65
09/01/2034	2,468,400.00	1,108,137.47
03/01/2035	102,000.00	44,886.94
09/01/2035	2,572,000.00	1,109,513.35
03/01/2036	52,600.00	22,242.78
09/01/2036	2,682,600.00	1,111,990.17
	46,294,432.15	30,423,361.31

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Proceeds Summary

Delivery date	07/30/2014
Par Value	29,320,000.00
Premium (Discount)	1,472,057.05
Arbitrage expenses	-368,695.74
Target for yield calculation	30,423,361.31

PROOF OF ARBITRAGE YIELD

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 07/30/2014 @ 4.0272915638%
SERIAL	09/01/2025	5.000%	3.550%	09/01/2024	100.000	-49,224.78
SERIAL	09/01/2026	5.000%	3.700%	09/01/2024	100.000	-36,519.14
SERIAL	09/01/2027	5.000%	3.810%	09/01/2024	100.000	-26,207.61
SERIAL	09/01/2028	5.000%	3.920%	09/01/2024	100.000	-13,985.16
SERIAL	09/01/2029	5.000%	4.000%	09/01/2024	100.000	-3,839.01
SERIAL	09/01/2030	5.000%	4.070%	09/01/2024	100.000	6,437.26
SERIAL	09/01/2031	5.000%	4.140%	09/01/2024	100.000	18,330.32

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 07/30/2014 @ 4.0272915638%	Increase to NPV
SERIAL	09/01/2025	5.000%	3.550%			-41,836.46	7,388.32
SERIAL	09/01/2026	5.000%	3.700%			-20,731.09	15,788.05
SERIAL	09/01/2027	5.000%	3.810%			-981.81	25,225.80
SERIAL	09/01/2028	5.000%	3.920%			21,858.59	35,843.75
SERIAL	09/01/2029	5.000%	4.000%			43,611.50	47,450.51
SERIAL	09/01/2030	5.000%	4.070%			66,935.03	60,497.77
SERIAL	09/01/2031	5.000%	4.140%			93,085.68	74,755.36

BOND PRICING

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bond:										
	09/01/2015	320,000	2.000%	0.610%	101.502				4,806.40	3.750
	09/01/2016	475,000	3.000%	0.910%	104.308				20,463.00	3.750
	09/01/2017	535,000	4.000%	1.310%	108.109				43,383.15	5.000
	09/01/2018	595,000	4.000%	1.740%	108.875				52,806.25	5.000
	09/01/2019	655,000	4.500%	2.140%	111.314				74,106.70	6.250
	09/01/2020	725,000	5.000%	2.460%	114.273				103,479.25	6.250
	09/01/2021	805,000	5.000%	2.820%	113.911				111,983.55	6.250
	09/01/2022	890,000	5.000%	3.080%	113.647				121,458.30	6.250
	09/01/2023	980,000	5.000%	3.310%	113.165				129,017.00	6.250
	09/01/2024	1,070,000	5.000%	3.440%	113.197				141,207.90	6.250
	09/01/2025	1,170,000	5.000%	3.550%	112.200 C	3.652%	09/01/2024	100.000	142,740.00	6.250
	09/01/2026	1,275,000	5.000%	3.700%	110.857 C	3.867%	09/01/2024	100.000	138,426.75	6.250
	09/01/2027	1,385,000	5.000%	3.810%	109.885 C	4.021%	09/01/2024	100.000	136,907.25	6.250
	09/01/2028	1,505,000	5.000%	3.920%	108.922 C	4.156%	09/01/2024	100.000	134,276.10	6.250
	09/01/2029	1,625,000	5.000%	4.000%	108.229 C	4.255%	09/01/2024	100.000	133,721.25	6.250
	09/01/2030	1,760,000	5.000%	4.070%	107.627 C	4.336%	09/01/2024	100.000	134,235.20	6.250
	09/01/2031	1,900,000	5.000%	4.140%	107.028 C	4.410%	09/01/2024	100.000	133,532.00	6.250
		17,670,000							1,756,550.05	
Insured 2036 Term Bond:										
	09/01/2032	2,045,000	4.000%	4.170%	97.558				-49,938.90	3.000
	09/01/2033	2,185,000	4.000%	4.170%	97.558				-53,357.70	3.000
	09/01/2034	2,320,000	4.000%	4.170%	97.558				-56,654.40	3.000
	09/01/2035	2,470,000	4.000%	4.170%	97.558				-60,317.40	3.000
	09/01/2036	2,630,000	4.000%	4.170%	97.558				-64,224.60	3.000
		11,650,000							-284,493.00	
		29,320,000							1,472,057.05	

BOND PRICING

City of Modesto
Community Facilities District No. 2004-1 (Village One #2)
2014 Special Tax Refunding Bonds

****

Revised Final Pricing Cash Flows (7-16-14)
Escrow Verified by Grant Thornton

****

Dated Date	07/30/2014	
Delivery Date	07/30/2014	
First Coupon	03/01/2015	
Par Amount	29,320,000.00	
Premium	1,472,057.05	
Production	30,792,057.05	105.020658%
Underwriter's Discount	-193,730.29	-0.660745%
Purchase Price	30,598,326.76	104.359914%
Accrued Interest		
Net Proceeds	30,598,326.76	

MSRB
Municipal Securities Rulemaking Board

Print Close

Submission ID:EA529097
08/25/2014 14:00:54

CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

EVENT FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Defeasance: Notice of Defeasance, dated 08/25/2014

DOCUMENTS

Event Filing dated 08/25/2014

Notice of Defeasance.pdf posted 08/25/2014

THE FOLLOWING ISSUERS ARE ASSOCIATED WITH THIS CONTINUING DISCLOSURE SUBMISSION:

CUSIP-6	State	Issuer Name
607800	CA	MODESTO CALIF SPL TAX

THE FOLLOWING 16 SECURITIES HAVE BEEN PUBLISHED WITH THIS CONTINUING DISCLOSURE SUBMISSION:

CUSIP-9	Maturity Date
607800AS8	09/01/2007
607800AT6	09/01/2008
607800AU3	09/01/2009
607800AV1	09/01/2010
607800AW9	09/01/2011
607800AX7	09/01/2012
607800AY5	09/01/2013
607800AZ2	09/01/2014
607800BA6	09/01/2015
607800BB4	09/01/2016
607800BC2	09/01/2017

607800BD0	09/01/2018
607800BE8	09/01/2019
607800BF5	09/01/2021
607800BG3	09/01/2026
607800BH1	09/01/2036

Submitter's Contact Information

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EXHIBIT Y

NOTICE OF DEFEASANCE OF
OUTSTANDING
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
SPECIAL TAX BONDS
(the "Refunded Bonds")

CUSIP NOS. 607800AZ2, 607800BA6, 607800BB4, 607800BC2, 607800BD0, 607800BE8, 607800BF5, 607800BG3, 607800BH1

Notice is hereby given to the holders of the above-captioned Bonds (the "Refunded Bonds") that (i) the Refunded Bonds will be redeemed and defeased; (ii) there has been deposited with The Bank of The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, moneys as permitted by that certain Trust Indenture, dated as of March 1, 2006, between the District and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to The Bank of New York Trust Company, N.A., as Trustee (the "Trustee") (the "Indenture"), relating to the Refunded Bonds, sufficient and available to pay the principal of and interest on the Refunded Bonds on September 1, 2014 and to redeem on September 1, 2014 the Refunded Bonds at the applicable redemption price contained in the Indenture; and (iii) the Escrow Bank has been irrevocably instructed to redeem such outstanding Refunded Bonds on September 1, 2014.

At least 30 days, but not more than 60 days, prior to September 1, 2014, in accordance with the terms of the Indenture, the Trustee has mailed a redemption notice for such Refunded Bonds.

If you have any questions regarding this notice, please contact Bondholder Relations at (800) 254-2826.

Dated this 30th day of July, 2014.

Mat Bibbey

GOODWIN CONSULTING GROUP, INC.
as Dissemination Agent

City of Modesto

2014 Special Tax Refunding Bonds
CFD No. 2004-1 (Village One #2)

CITY of MODESTO

Distribution List

(As of July 17, 2014)

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City of Modesto

2014 Special Tax Refunding Bonds
CFD No. 2004-1 (Village One #2)

CITY of MODESTO

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(As of July 17, 2014)

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City of Modesto

2014 Special Tax Refunding Bonds
CFD No. 2004-1 (Village One #2)

CITY of MODESTO

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(As of July 17, 2014)

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City of Modesto CFD No. 2004-1 (Village One #2) 2014 Special Tax Refunding Bonds

Rating agency

kathleen.burroughs@sandp.com;kaiti.wang@standardandpoors.com

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-127

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO ESTABLISH CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

WHEREAS, an owner of not less than 10 percent of the area of land proposed to be included within the community facilities district herein described has filed with the City Clerk of this City (the "City") a petition requesting that this Council (the "Council") form a community facilities district pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act") in order to: (i) finance certain public facilities having a useful life of 5 years or longer (the "Facilities") more particularly described in Exhibit B, including expenses incidental thereto; and (ii) finance certain services (the "Services") more particularly described in Exhibit C; and

WHEREAS, upon receipt of the petition, this Council is, pursuant to Section 53320 of the California Government Code, required to adopt a resolution of intention to establish the community facilities district; and

WHEREAS, in the event the community facilities district is established, it is the intention of this Council to: finance the Facilities through the authorization, issuance and sale of bonds to be approved at an election to be held within the boundaries of the district, (ii) pay debt service on the bonds through the levy of a special tax therein, and (iii) finance the Services through the levy of a special tax therein; and

WHEREAS, this Council has adopted local goals and policies concerning the use of the Act;

NOW, THEREFORE, BE IT RESOLVED, ORDERED, AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The above recitals are true and correct.

SECTION 2. A community facilities district is proposed to be established under the terms of the Act. The name proposed for the community facilities district is "City of Modesto Community Facilities District No. 2004-1" and is referred to in this Resolution as the "District."

SECTION 3. The boundaries of the District are shown on a map, hereby approved, entitled "Proposed Boundaries of City of Modesto Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," a copy of which is on file in the office of the City Clerk. Pursuant to Sections 3110 and 3111 of the California Streets and Highways Code, the City Clerk shall certify on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in the City Clerk's office and, within 15 days after the adoption of this Resolution and in no event later than 15 days prior to the date of the public hearing referred to in Section 8, file a copy of the map with the County Recorder of the County of Stanislaus.

The Council finds that no land proposed to be included in the District is devoted primarily to agricultural, timber, or livestock uses and being used for the commercial production of agricultural, timber or livestock products.

SECTION 4. The Facilities proposed to be provided by the District are public facilities authorized to be acquired or constructed under the Act that have a useful life of five (5) years or longer. The Facilities are governmental facilities which the Council is authorized by law to contribute revenue to, or construct, own or operate; or which a local public agency is authorized by law to provide. The Council further determines that such

Facilities are necessary to meet increased demands placed upon the City and other local agencies as a result of development occurring within the boundaries of the District.

The Facilities are proposed to include any and all incidental expenses related thereto, as authorized by the Act, including the payment in full of all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the District or to pay debt service on that indebtedness.

The Services proposed to be provided by the District are in addition to those provided in the District before its creation, since none of the Services have been or will be provided in the District before its creation.

SECTION 5. The Council determines that the public interest will not be served by allowing the owner(s) of property within the proposed District to enter into a contract pursuant to Section 53329.5(a) of the Act.

SECTION 6. (a) It is the intention of the Council that, except where funds are otherwise available to pay for the Facilities to be financed by the District and/or the principal and interest as it becomes due on bonds issued to finance such Facilities, the incidental expenses related thereto, and the Services, special taxes sufficient to pay the costs thereof, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the boundaries of the District. The rate, method of apportionment and manner of collection of the proposed special taxes is set forth in Exhibit A. Exhibit A provides sufficient detail to allow each landowner or resident within the District to estimate the maximum amount that such person will have to pay for the Facilities and the Services.

(b) In the case of the special tax to pay for the Facilities that is to be levied against any parcel of land used for private residential purposes (as defined and provided

in the Act), (1) the maximum special tax has been specified as a dollar amount which will be calculated and thereby established not later than the date of which any such parcel of land is first subject to the special tax because of its use for private residential purposes, and which amount will not be increased over time by an amount exceeding two per cent (2%) per year, (2) after Fiscal Year 2060-2061, the special tax will no longer be levied or collected against any such parcel of land, and (3) under no circumstances will the special tax be increased as a consequence of delinquency or default by the owner of any other parcel or parcels of land within the District by more than ten per cent (10%). The special tax to pay for the Facilities may, however, establish different tax rates for different categories of residential property, and may provide for a change in the dollar amount of the special tax for the parcel if the size of the residence is increased or if the size or use of the parcel is changed.

(c) The obligation to pay the special tax to pay for the Facilities may be prepaid and permanently satisfied, and the lien of the special tax to pay for the Facilities discharged pursuant to the procedures set forth in EXHIBIT A.

(d) If the special tax to pay for the Facilities is prepaid and permanently satisfied as to a particular parcel of land, this Council shall cause to be prepared and recorded in the office of the County Recorder of the County of Stanislaus, which shall accept for recordation, a Notice of Cancellation of Special Tax Lien as to that parcel. The Notice of Cancellation of Special Tax Lien shall identify with particularity the special tax to pay for the Facilities which has been prepaid and permanently satisfied, state the book and page number in the records of the County Recorder where the Notice of Special Tax Lien being cancelled is recorded, contain the legal description and assessor's parcel number of the particular parcel of land subject to the lien, and contain the name of the owner of record of the parcel. The County Recorder shall mail the

original Notice of Cancellation of Special Tax Lien to the owner of the property after recording the document. This Council may specify a charge for the preparation and recordation of the Notice.

SECTION 7. Pursuant to Section 53314.9 of the Act, this Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, and may provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the District.

SECTION 8. A public hearing on the establishment of the District and the proposed rate, method of apportionment, and manner of collection of the special taxes shall be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, April 6, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 9. The Public Works & Transportation Director, as the officer of the City who will be responsible for providing the proposed Facilities and Services to be financed by the District, if it is established, is directed to study the proposed District, and, at or before the time of the hearing, cause to be prepared and filed with the Council a report containing: (a) a brief description of the Facilities and Services by type which will in such officer's opinion be required to adequately meet the needs of the District; (b) an estimate of: (i) the cost of providing the Facilities and Services; (ii) the fair and reasonable cost of any of the Facilities to be purchased; and (iii) the fair and reasonable cost of incidental expenses to be incurred in connection therewith, including the costs of the proposed bond financing and other related costs as provided in Section 53345.3 of the Act.

The report shall be made a part of the record of the hearing.

SECTION 10. At the time and place set forth in this Resolution for the hearing, any interested persons, including taxpayers, property owners and registered voters residing within the boundaries of the proposed District, may appear and be heard, and the testimony of all interested persons for or against the establishment of the District, the extent of the District, the furnishing of the Facilities and Services, or the proposed rate, method of apportionment and manner of collection of the special taxes will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 11. The City Clerk is directed to publish a notice of the hearing, in the form required by the Act, not later than seven (7) days prior thereto, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code.

SECTION 12. (a) If fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is more, residing within the territory proposed to be included in the District, or the owners of one-half (1/2) or more of the area of the land in the territory proposed to be included in the District and not exempt from the special taxes, file written protests against the establishment of the District, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to create the District or to levy the special taxes will be taken for a period of one year from the date of the decision of the Council.

(b) If the majority protests of the registered voters or the landowners are only against the furnishing of a specified type or types of the Facilities or Services within the District, or against levying a specified special tax, those types of Facilities or Services or the specified special tax will be eliminated from the District proceedings.

(c) At the conclusion of the hearing, if the Council determines to establish the District, it will adopt a resolution of formation and then submit the levy of the special taxes to the qualified electors of the District in a special election.

SECTION 13. (a) If, after the hearing, the Council adopts a resolution of formation establishing the District and submits the levy of the special taxes to the qualified electors of the District in a special election, such election will be held at least ninety (90) days, but not more than one hundred eighty (180) days following the adoption of the resolution of formation. The City Clerk shall, within three business days after the adoption of the resolution of formation, provide a copy of the resolution of formation, a certified map of sufficient scale and clarity to show the boundaries of the District, and a sufficient description to allow the election official to determine the boundaries of the District, to the official conducting the election. Assessor's parcel numbers for the land within the District shall be included if it is a landowner election or the District does not conform to an existing district's boundaries and if requested by the official conducting the election.

(b) If the election is to be held less than one hundred twenty-five (125) days after the adoption of the resolution of formation, the concurrence of the election official conducting the election shall be required.

(c) Such time limits, or requirement pertaining to the conduct of the election, may be waived with the unanimous consent of the qualified electors of the District and the concurrence of the election official conducting the election.

(d) The special election on (i) the proposition of the District incurring a bonded indebtedness in an amount not to exceed $75,000,000, (ii) the proposition with respect to the levy of special taxes on the land within the District, and (iii) the proposition with respect to the establishment of an appropriations limit for the District in the amount of $75,000,000, per fiscal year, if the District is established, will be consolidated.

(e) If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the territory of the proposed District for each of the ninety (90) days preceding the close of the hearing, the vote will be by the registered voters of the proposed District, with each voter having one vote. Otherwise, the vote will be by the landowners of the proposed District and each landowner who is the owner of record at the close of the hearing, or the authorized representative thereof, will have one (1) vote for each acre or portion of an acre of land that such landowner owns within the proposed District. The number of votes to be voted by a particular landowner will be specified on the ballot provided to that landowner.

(f) Ballots for the special election authorized may be distributed to qualified electors by mail with return postage prepaid or by personal service by the election official. The official conducting the election may certify the proper mailing or personal delivery of ballots by an affidavit, which shall constitute conclusive proof of such mailing or personal delivery in the absence of fraud. The voted ballots shall be returned to the election officer conducting the election not later than the hour specified in the resolution calling the election. However, if all the qualified voters have voted, the election shall be closed.

(g) Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election. Except as provided in the next sentence, there will be prepared and included in the ballot material

provided to each voter an impartial analysis and arguments and rebuttals, if any, as provided in the California Elections Code. If the vote is to be by the landowners of the proposed District, analysis and arguments may be waived with the unanimous consent of all the landowners.

If the election is to be conducted by mail ballot, the election official conducting the election shall provide ballots and election materials, together with all supplies and instructions necessary for the use and return of the ballot. The identification envelope for return of mail ballots used in a landowner election shall contain the following: (1) the name of the landowner; (2) the address of the landowner; (3) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope; (4) the printed name and signature of the voter; (5) the address of the voter; (6) the date of signing and the place of execution of the declaration described in (3) above; and (7) a notice that the envelope contains an official ballot and will be opened only by the canvassing board.

(h) The procedures set forth in this Section for conducting the consolidated special election may be modified as the Council may determine to be necessary or desirable by a resolution subsequently adopted by the Council.

SECTION 14. This Council may, by ordinance, authorize contributions by the City from any sources of revenue not otherwise prohibited by law, of any specified amount, portion or percentage of such revenue for any of the following: (1) acquiring or constructing any of the Facilities; (2) the acquisition of interests in real property; (3) paying debt service with respect to the financing of any such acquisition or construction; (4) providing the authorized Services; and (5) the payment of expenses incidental to any of the foregoing.

SECTION 15. This Council reserves to itself the right and authority to allow any interested owner of property within the District, subject to the provisions of Section 53344.1 of the Act and to those conditions it may impose, and any applicable prepayment penalties as described in the bond indenture or comparable instrument or document, to tender in full payment or part payment of any installment of the special tax levied to pay for the Facilities or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 2nd day of March, 2004 by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

The foregoing is a correct copy of the original on file in this office which has not been revoked and is now in full force and effect.
ATTEST:
Jean Zahr
JEAN ZAHR, City Clerk of the City of Modesto, County of Stanislaus, State of California

Exhibit "A"

Rate and Method of Apportionment

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Tax. Attachment 1 identifies the Tax Zone in CFD No. 2004-1 at CFD Formation; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property or, in the discretion of the City, any portion of a Parcel of Developed Property on which an additional structure will be constructed pursuant to issuance on an additional building permit.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

If, in any Fiscal Year, an Assessor's Parcel includes both Developed Property and Undeveloped Property, the Administrator shall determine the Net Taxable Acreage of Developed Property, subtract this Net Taxable Acreage from the total Net Taxable Acreage of the Assessor's Parcel, and use the remaining Net Taxable Acreage to calculate the Special Taxes that will apply to Undeveloped

Property within the Assessor's Parcel. The Special Taxes shall then be calculated for the Developed Property on the Parcel, and the total Special Taxes levied on the Assessor's Parcel shall be the sum of the Special Taxes determined separately for the Undeveloped Property and Developed Property on the Parcel.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.

1. Original Parcels

The Maximum Special Taxes for each Land Use Class in the Original Parcel in CFD No. 2004-1 as of CFD Formation is identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2

(escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. Successor Parcels

a. *All Successor Parcels are Single Family Detached Lots*

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. *No Successor Parcels are Single Family Detached Lots*

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the

Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four

percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the

Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Special Taxes on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Taxes levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $1,327,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public

improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the ***"Defeasance Requirement"***).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"**Administrative Fees and Expenses**"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"**Prepayment Amount**"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

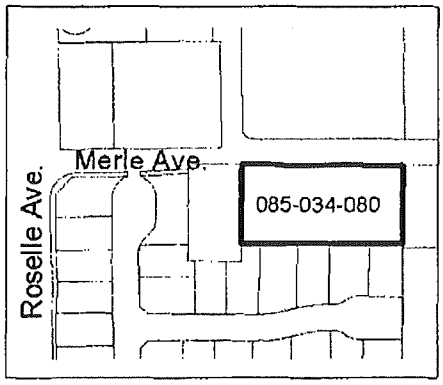
The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

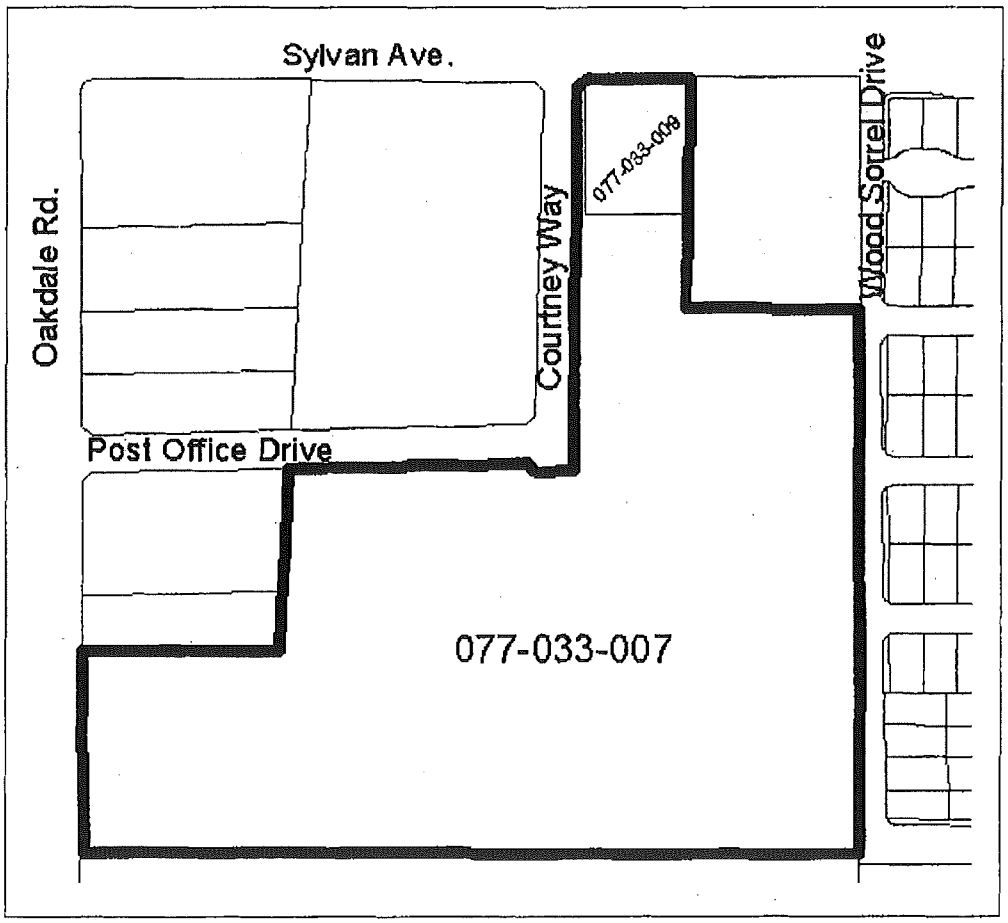
ATTACHMENT 1

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

IDENTIFICATION OF TAX ZONES

Tax Zone #1
includes APN's
077-033-007
077-033-009
085-034-080





ATTACHMENT 2

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE)

MAXIMUM SPECIAL TAXES ASSIGNED TO EXPECTED LAND USES WITHIN EACH ORIGINAL PARCEL IN EACH TAX ZONE

Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
1	77-33-07	Village Residential Commercial	16.23 3.24	$491,461 $168,810	$103,953 $11,567	$20,012 $2,981
1	77-33-09	Commercial	0.93	$48,455	$3,320	$856
1	85-34-80	Village Residential	1.0	$30,281	$6,405	$1,233

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.

3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

Exhibit "B"

LIST OF FACILITIES

Description of Facilities

All facilities described herein are as presented in the Village One Facilities Master Plan ("FMP") update dated May 2003. Said master plan is incorporated herein by reference. The following descriptions summarize the facilities to be funded within CFD 2004-1.

A. Arterial Roads:

Included in the FMP are improvements to four arterial roads that will be funded by the CFD. They include Roselle Ave., from Briggsmore to the northern boundary of Village One (north of Sylvan), Floyd Ave. from Oakdale Rd. to Claus Rd., Oakdale Rd. from Briggsmore to Sylvan Ave., and Sylvan Ave. from Oakdale Rd. to Claus Rd. Also included in the CFD is partial funding for a pedestrian overcrossing on Sylvan Ave. to serve the new high school.

B. Storm Drain System:

The storm drainage system for Village One contains three detention basins:

1. West Basin: Dual-use basin that pumps water to the Central Basin.

2. Central Basin: Percolation/detention basin that pumps water to the MID Lateral #3 and may pump to Dry Creek via Claus Rd. at some time in the future.

3. East Basin: Dual-use basin that pumps water to Dry Creek via Claus Rd.

The facilities to be funded by the CFD include: basin property, trunk pipelines, force mains, pump stations, and other necessary appurtenances.

C. Parks:

Three neighborhood parks and one community park will be developed within the Village One Specific Plan area. The development of the parks will include the acquisition of land, park improvements and street frontage improvements for the Grogan Community Park, the Roselle Neighborhood Park, the Claus Neighborhood Park and the Merle Neighborhood Park.

In addition, buffer land for the community park is to be acquired, a bike trail is to be developed along MID Lateral No. 3, and a trail is to be developed along Claus Rd.

D. Public Facilities:

An area office for police is proposed within Village One. Funds are provided within the CFD for tenant improvements necessary to set up an area office.

E. Other:

Other costs associated with Village One include reimbursement to the City of Modesto for engineering of the Facilities Master Plan and planning related to the Village One Specific Plan, future annual administration costs for the CFD, and community signage for Village One.

Exhibit "C"

LIST OF SERVICES

Included in this CFD is the maintenance of the Grogan Community Park, Roselle Neighborhood Park, Merle Neighborhood Park, Claus Neighborhood Park, arterial road parkway, median and roundabout landscaping, connector street parkway, median and roundabout landscaping, bike trails and storm drain facilities.

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, March 2, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Wade Estes, First Baptist Church

City Clerk's Announcements: Item 9 removed from Consent

Declaration of Conflicts of Interest: None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation on plans for the Ribbon Cutting for Orville Wright Neighborhood Park.

ACTION: Presentation given by Jim Niskanen, Parks, Recreation & Neighborhoods Director. Comments were received from the Modesto Lions Club. No action taken.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Richard Edgecomb expressed a concern with bicycles and motorized wheel chairs operating at night with no reflectors or lights.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 8

ACTION Items 2-8: Jackman/Keating; unan.

ACTION Item 9: Jackman/Keating; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience

member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of February 24, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approving the minutes of February 24, 2004.

CONSENT
3. Consider accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee.
· Resolution accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee recommended.
City Manager; Esther Puckett, 577-5101, epuckett@modestogov.com

ACTION: Reso No 2004-126 (Jackman/Keating; unan.) accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee.

CONSENT
4. Consider declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD; and Consider declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD; and Consider authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC.
· Resolution declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD recommended.
· Resolution declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD recommended.
· Resolution authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-127 (Jackman/Keating; unan.) declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD

ACTION: Reso No 2004-128 (Jackman/Keating; unan.) declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD

ACTION: Reso No 2004-129 (Jackman/Keating; unan) authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC.

CONSENT
5. Consider amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings"; and Consider awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents.
· Resolution amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings" recommended.
· Resolution awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents recommended.

Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-130 (Jackman/Keating; unan) amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings"

ACTION: Reso No 2004-131 (Jackman/Keating; unan) awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents

CONSENT
6. Consider authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002. Funds are budgeted.
· Resolution authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Reso No 2004-132 (Jackman/Keating; unan.) authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002

CONSENT
7. Consider authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000.
· Resolution authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000 recommended.
Fire; Chief Miguel, 572-9670, jmiguel@modestogov.com

ACTION: Reso No 2004-133 (Jackman/Keating; unan) authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000

CONSENT
8. Consider declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers. Estimated value is $2,000.
· Resolution declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers. Estimated value is $2,000 recommended.
Fire; Chief Miguel, 572-9670, jmiguel@modestogov.com

ACTION: Reso No 2004-134 (Jackman/Keating; unan) declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers.

Removed from Consent
9. Consider accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents; and Consider amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue.
· Resolution accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue recommended.

Parks, Recreation & Neighborhoods; Doug Critchfield, 577-5353, dcritchfield@modestogov.com

ACTION: Reso No 2004-135 (Jackman/Keating; unan.) accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents.

ACTION: Reso No 2004-136 (Jackman/Keating; unan.) amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

10. Consider letter received from Melanie Lara regarding the expansion of the Weinerschnitzel located on the corner of McHenry Avenue and Grant Street.

ACTION: Melanie Lara did not appear at the Council meeting. No action taken.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 5:53 p.m.

CLOSED SESSION

The Closed Session was heard prior to the meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One case.

ACTION: The City Attorney reported that the City Council authorized the City Attorney to enter Mena vs. Muehler 332 F. 3rd 1255 (9th Circuit 2003) to participate in this case as an amicus curiae.

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-128

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO INCUR A BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED $75,000,000 WITHIN PROPOSED CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

WHEREAS, this Council (the "Council") has adopted its Resolution No. 2004-127 (the "Resolution of Intention to Establish the District") stating its intention to establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") pursuant to Chapter 2.5 of Part 1 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), for the purpose of financing certain public facilities (the "Facilities") described in the Resolution of Intention to Establish the District, and the incidental expenses thereof, and certain services (the "Services") as therein described; and

WHEREAS, in order to finance the Facilities and incidental expenses, it is necessary to incur bonded indebtedness in an amount not to exceed $75,000,000, the repayment of which is to be secured by a special tax levied in accordance with Section 53328 of the Act, and the rate, method of apportionment and manner of collection described in the Resolution of Intention to Establish the District;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The above recitals are true and correct.

SECTION 2. It is necessary to incur bonded indebtedness within the boundaries of the proposed District for the purpose of financing the Facilities described in the Resolution of Intention to Establish the District, and the incidental expenses thereof.

SECTION 3. The bonded indebtedness is proposed to be incurred in order to finance the Facilities, including acquisition and construction costs, and all costs incidental to, or connected with the accomplishment of such purpose and the financing thereof, as permitted by Section 53345.3 of the Act.

SECTION 4. The whole of the proposed District will pay for the bonded indebtedness according to the rate and method of apportionment of the special tax as provided in the Resolution of Intention to Establish the District.

SECTION 5. The bonded indebtedness will be in an aggregate principal amount not to exceed $75,000,000.

SECTION 6. A public hearing on the proposed bonded indebtedness will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, April 6, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353.

SECTION 7. At the time and place set forth above for the hearing, any person interested, including all persons owning property in the area, may appear and be heard on the proposed debt issuance.

The City Clerk is directed to publish a notice of the hearing, in the form required by the Act, one time, pursuant to Section 6061 of the Government Code, in a newspaper of general circulation published in the area of the proposed District, being *The Modesto Bee*. Such publication shall be completed at least seven (7) days prior to the date set for the hearing.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 2nd day of March, 2004 by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

The foregoing is a correct copy of the original on file in this office which has not been revoked and is now in full force and effect.
ATTEST:
Jean Zahr
JEAN ZAHR, City Clerk of the City of Modesto, County of Stanislaus, State of California

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

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Tenth Street, Modesto,
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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, March 2, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Wade Estes, First Baptist Church

City Clerk's Announcements: Item 9 removed from Consent

Declaration of Conflicts of Interest: None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation on plans for the Ribbon Cutting for Orville Wright Neighborhood Park.

ACTION: Presentation given by Jim Niskanen, Parks, Recreation & Neighborhoods Director. Comments were received from the Modesto Lions Club. No action taken.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Richard Edgecomb expressed a concern with bicycles and motorized wheel chairs operating at night with no reflectors or lights.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 8

ACTION Items 2-8: Jackman/Keating; unan.

ACTION Item 9: Jackman/Keating; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience

member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of February 24, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approving the minutes of February 24, 2004.

CONSENT
3. Consider accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee.
· Resolution accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee recommended.
City Manager; Esther Puckett, 577-5101, epuckett@modestogov.com

ACTION: Reso No 2004-126 (Jackman/Keating; unan.) accepting with regret the resignation of Robert Trache from the Citizens Housing & Community Development Committee.

CONSENT
4. Consider declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD; and Consider declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD; and Consider authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC.
· Resolution declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD recommended.
· Resolution declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD recommended.
· Resolution authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-127 (Jackman/Keating; unan.) declaring the City of Modesto's intent to establish Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within said CFD

ACTION: Reso No 2004-128 (Jackman/Keating; unan.) declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $75 million within the proposed CFD

ACTION: Reso No 2004-129 (Jackman/Keating; unan) authorizing the City Manager to execute an Advanced Funding Agreement with B&G Development LLC.

CONSENT
5. Consider amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings"; and Consider awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents.
· Resolution amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings" recommended.
· Resolution awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents recommended.

Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-130 (Jackman/Keating; unan) amending the FY97 Capital Improvement Budget to transfer $125,000 in funds for the project titled "Elm Street Buildings"

ACTION: Reso No 2004-131 (Jackman/Keating; unan) awarding the bid and approving the contract with TCB Industrial Inc. for the project titled "Elm Street Buildings" and authorizing the City Manager to execute the necessary documents

CONSENT
6. Consider authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002. Funds are budgeted.
· Resolution authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Reso No 2004-132 (Jackman/Keating; unan.) authorizing the purchase of a John Deere 304H Wheel Loader from Nortrax West for an estimated cost of $75,002

CONSENT
7. Consider authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000.
· Resolution authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000 recommended.
Fire; Chief Miguel, 572-9670, jmiguel@modestogov.com

ACTION: Reso No 2004-133 (Jackman/Keating; unan) authorizing the issuance of a Request for Bids for Personal Protective Equipment for the Fire Department for an estimated cost of $150,000

CONSENT
8. Consider declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers. Estimated value is $2,000.
· Resolution declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers. Estimated value is $2,000 recommended.
Fire; Chief Miguel, 572-9670, jmiguel@modestogov.com

ACTION: Reso No 2004-134 (Jackman/Keating; unan) declaring surplus one 1978 International Type III apparatus from the Fire Department and authorizing the sale of said unit through Roger Ernst and Associates, Auctioneers.

Removed from Consent
9. Consider accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents; and Consider amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue.
· Resolution accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue recommended.

Parks, Recreation & Neighborhoods; Doug Critchfield, 577-5353, dcritchfield@modestogov.com

ACTION: Reso No 2004-135 (Jackman/Keating; unan.) accepting $698,798 from the State of California Department of Transportation Bicycle Transportation Account Program for Phase I construction of the Virginia Corridor and authorizing the City Manager to execute the necessary documents.

ACTION: Reso No 2004-136 (Jackman/Keating; unan.) amending the Fiscal Year 2003-04 Capital Improvement Program to reflect the $698,798 in revenue

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

10. Consider letter received from Melanie Lara regarding the expansion of the Weinerschnitzel located on the corner of McHenry Avenue and Grant Street.

ACTION: Melanie Lara did not appear at the Council meeting. No action taken.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 5:53 p.m.

CLOSED SESSION

The Closed Session was heard prior to the meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One case.

ACTION: The City Attorney reported that the City Council authorized the City Attorney to enter Mena vs. Muehler 332 F. 3rd 1255 (9th Circuit 2003) to participate in this case as an amicus curiae.

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-199

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF FORMATION, ESTABLISHING CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN THE DISTRICT, PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT, AND CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE SPECIAL TAXES AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT

WHEREAS, the City Council (the "Council") of the City of Modesto (the "City"), did, on March 2, 2004, adopt its Resolution No. 2004-127, entitled "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein" stating its intention to establish its City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), and levy special taxes therein, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, Resolution No. 2004-127 (1) describing the proposed boundaries of the District, the name of the District, and the types of facilities (the "Facilities") and services (the "Services") proposed to be financed by the District, (2) providing that, except where funds are otherwise available to pay for the Facilities to be financed by the District, including the incidental expenses thereof, and/or the principal and interest as it becomes due on the bonds of the District issued to finance such Facilities, and the Services, special taxes sufficient to pay the costs thereof, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied within

the boundaries of the District, (3) specifying the rate, method of apportionment, and manner of collection of the special taxes in sufficient detail to allow each landowner or resident within the proposed District to estimate the maximum amount that he or she will have to pay, and (4) setting a hearing thereon, is incorporated herein by this reference; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the affidavit of publication on file with the City Clerk; and

WHEREAS, at the time and date set for the hearing, April 6, 2004, this Council held the public hearing as required by law relative to the proposed formation of the District, the levy of the special taxes, and all other matters set forth in Resolution No. 2004-127; and

WHEREAS, at least 15 days prior to the hearing, a map of the proposed boundaries of the District, entitled "Boundary Map of City of Modesto Community Facilities District No. 2004-1 (Village One #2)" (the "Boundary Map") was recorded pursuant to Section 3111 of the California Streets and Highways Code in the office of the County Recorder of the County of Stanislaus, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 85; and

WHEREAS, prior to the hearing a report (the "Report") containing a description of the Facilities and Services required to adequately meet the needs of the District and an estimate of the cost of providing the Facilities and Services, including, to the extent the purchase of completed Facilities or the payment of incidental expenses is proposed, the estimated fair and reasonable cost thereof, including the costs of the proposed bond

financing, was filed with this Council as a part of the record of the hearing and duly considered by this Council; and

WHEREAS, the special tax consultant to the City has recommended that the rate and method of special taxes, attached as Exhibit A to Resolution No. 2004-127, be revised in order to make certain administrative and clarifying amendments. Such amendments have been incorporated into the Report and into Exhibit A hereto. The revisions do not increase either the maximum special taxes or the probable special taxes to be paid by the owner of any lot or parcel.

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the formation of the District, the levy of the special taxes, and all other matters set forth in Resolution No. 2004-127, including all interested persons or taxpayers for or against the establishment of the District, the extent of the District, or the furnishing of specific type or types of Facilities or Services, were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters relating to the formation of the District, the levy of the special taxes, and all other matters set forth in Resolution No. 2004-127; and

WHEREAS, written protests against the establishment of the District, the furnishing of specified type or types of Facilities and Services within the District as listed in the Report, or the levying of the special taxes, have not been filed with the City Clerk by fifty percent (50%) or more of the registered voters, or six registered voters, whichever is more, residing within the territory proposed to be included in the District, or

the owners of one-half (1/2) or more of the area of land in the territory proposed to be included in the District and not exempt from this special taxes; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than twelve (12) registered voters residing in the District; accordingly, the qualified electors in the District are the landowners; and

WHEREAS, the City Clerk has concurred in the election date herein set forth for the election herein called;

NOW THEREFORE, BE IT RESOLVED, that the Council hereby finds and determines as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The proposed special taxes to be levied in the District have not been precluded by majority protest pursuant to Section 53324 of the Act. All protests (there were none) to the establishment of the District, the extent thereof, or the furnishing of the Facilities and Services proposed therefor, or the levy of the special taxes proposed to be levied in the District, are hereby overruled.

SECTION 3. As proposed in Resolution No. 2004-127, a community facilities district is hereby established pursuant to the Act, designated "City of Modesto Community Facilities District No. 2004-1 (Village One #2)," the boundaries of which are shown on the Boundary Map.

SECTION 4. (a) The Facilities to be financed by the District are set forth in Exhibit B attached hereto and by this reference incorporated herein. The Facilities are public facilities having a useful life of five years or longer.

(b) The Facilities are necessary to meet the increased demands placed upon the City and other local agencies operating within the area of the District as a result of development occurring in the District.

(c) No land within the District is devoted primarily to agricultural, timber or livestock uses or is being used for the commercial production of agricultural, timber or livestock products.

SECTION 5. (a) The Services to be financed by the District are set forth in Exhibit C attached hereto and by this reference incorporated herein. The proposed Services are governmental services which the City is authorized by law to provide since they are in addition to those provided in the territory of the District before the District was created.

(b) The Services are necessary to meet the increased demands placed upon the City and other local agencies operating within the area of the District as a result of development occurring in the District.

SECTION 6. The Report related to the Facilities and Services shall be a part of the record in these proceedings. For purposes hereof, the Report shall refer to the Report as modified, amended, revised or corrected pursuant to and in accordance with any resolution or order heretofore adopted or made by this Council.

SECTION 7. (a) As stated in Resolution No. 2004-127, except where funds are otherwise available, it is the intention of this Council, subject to the approval of the qualified electors of the District, to levy special taxes sufficient to pay for the Facilities to be financed by the District, and/or the principal and interest as it becomes due on bonds issued to finance such Facilities, the Services to be financed by the District, and to pay

incidental expenses related thereto, secured by recordation of a continuing lien against all nonexempt real property in the District.

(b) For purposes hereof, expenses shall include the payment in full of all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee charge, or assessment levied within the area of the District or to pay debt service on that indebtedness.

(c) The rate, method of apportionment, and manner of collection of the special taxes, in sufficient detail to allow each landowner or resident within the District to estimate the maximum amount that he or she will have to pay, is described in Exhibit A attached hereto and by this reference incorporated herein.

(d) There is no ad valorem property tax currently being levied on property within the District for the exclusive purpose of making lease payments or paying principal or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which are the same the Facilities to be financed by the District.

(e) Any reimbursement made to the District pursuant to Section 53313.5(e) of the California Government Code shall be utilized to reduce or minimize the special taxes levied within the District or to finance additional Facilities within the District.

(f) Landowners may prepay the "Annual Facilities Special Tax" component of the special taxes (as defined in Exhibit A) pursuant to the procedures set forth in Exhibit A.

(g) The special taxes as apportioned to each parcel pursuant to Exhibit A is based on the cost of making the Facilities and Services available to each parcel, or other reasonable basis, and is not based on or upon the ownership of real property.

(h) Pursuant to Section 53314.9 of the Act, this Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, and may provide, by resolution, for the use of those funds or that work-in kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the District.

SECTION 8. The description of the proposed voting procedure, as set forth in Resolution No. 2004-127, is incorporated herein by this reference, and shall be the voting procedure to be used in these proceedings.

SECTION 9. The District Administrator is hereby designated as the office, department or bureau which will be responsible for annually preparing the current roll of special tax levy obligations by assessor's parcel number on nonexempt property within the District and which will be responsible for estimating future special tax levies. The name, address, and telephone number of the office of the District Administrator, and the person responsible for administering the District, is as follows:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Such officer is hereby directed to establish procedures to promptly respond to inquiries concerning current and future estimated tax liability pursuant to Section 53340.2 of the Act.

SECTION 10. Upon a determination by this Council, after the canvass of the returns of the election contemplated in Sections 13 and 14 hereof, that at least two-thirds (2/3) of the votes cast upon the question of levying the special taxes were in favor thereof, the City Clerk shall record the notice of special tax lien provided for in Section 3114.5 of the California Streets and Highways Code. Upon recordation of the notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special taxes shall attach to all nonexempt real property in the District, and this lien shall continue in force and effect until collection of the special taxes by this Council ceases, or, in the case of the Annual Facilities Special Tax Component of the special taxes (as defined in Exhibit A), the obligation to pay that component of the special taxes is prepaid and permanently satisfied and the lien thereof cancelled in accordance with the Act.

SECTION 11. All prior proceedings taken with respect to the establishment of the District were valid and in conformity with the requirements of the Act.

SECTION 12. In accordance with Section 53325.7 of the Act, the annual appropriations limit of the District, as defined by subdivision (h) of Section 8 of Article XIIIB of the California Constitution, is hereby preliminarily established at $75,000,000, and this annual appropriations limit shall be submitted to the voters of the District as hereafter provided. The proposition establishing the appropriations limit shall become effective if approved by the qualified electors voting thereon and shall thereafter be adjusted in accordance with the applicable provisions of Section 53325.7 of the Act.

SECTION 13. *This Council hereby calls a special election and submits the question* of levying the special taxes, and the establishment of the annual appropriations limit for the District in connection therewith, to the qualified electors within the District, in accordance with and subject to the Act, the terms of which shall, unless waived as herein provided, be applicable to such election.

(a) Fewer than twelve (12) persons have been registered to vote within the territory of the District for each of the ninety (90) days preceding the close of the hearing referenced herein. Accordingly, for the purposes of these proceedings, the qualified electors shall be the landowners within the District. The vote shall be by such landowners, or their authorized representatives, each having one vote for each acre or portion thereof that such landowner owns in the District as of the close of the hearing; and the ballots for the special election shall be distributed by mail with return postage prepaid or by personal service to each such landowner, all as provided in Section 53326 of the Act.

(b) The Council hereby designates the City Clerk, and the City Clerk hereby agrees to serve, as the election official to conduct the election. The shortening of the election as herein provided has been concurred in by the City Clerk.

(c) If the City Clerk receives appropriate waivers of time limits and other requirements pertaining to the conduct of the election by all of the owners of land included in the District (collectively, the "Landowners") on or before the 6th day of April, 2004, the election shall be held on the 6th day of April, 2004. Otherwise, the election shall be held on the first Tuesday after that date which is 90 days after the date this Resolution is adopted.

(e) Unless waived by the Landowners, there shall be prepared and included in the ballot material provided to each voter an impartial analysis and arguments and rebuttals, if any, as provided in Section 53327 of the Act. The election shall be conducted by the City Clerk in the manner required by this Resolution, the Act and applicable laws.

(f) Unless waived by the Landowners, the City Clerk shall publish this Resolution as notice of the special election.

SECTION 14. This Council hereby further directs that the election at which the question of levying the special taxes and the establishment of an appropriations limit in connection therewith is submitted to the qualified electors within the District be consolidated with the election at which the question of incurring a bonded indebtedness in an aggregate principal amount not to exceed $75,000,000 for the District, as set forth in Resolution No. 2004-128, is submitted to the qualified electors with the District, and the question of levying the special taxes shall be combined in one ballot proposition with the question of incurring such bonded indebtedness and the question of establishing an appropriations limit for the District, all as provided by the Act; and this Council further directs that the resolution adopted by this Council determining the necessity to incur such bonded indebtedness shall constitute the notice of the consolidated election on the combined propositions of authorizing the levy of the special tax, establishing an appropriations limit, and incurring such bonded indebtedness. However, the giving of such notice is waived if the City Clerk receives unanimous consent to such waiver from the Landowners.

SECTION 15. If two-thirds (2/3) of the votes cast upon the question of levying the special tax are cast in favor of levying the special taxes, as determined by this Council after the canvass of the returns of the consolidated election, this Council may levy the special taxes within the District in the amount and for the purposes specified in this Resolution. The special taxes may be levied only at the rate and may be apportioned only in the manner specified in this Resolution, subject to the Act, except that the special taxes may be levied at a lower rate.

SECTION 16. The City Clerk, as the designated election official, shall, within three business days after the adoption of this Resolution, obtain a certified copy thereof. The City Clerk has previously been provided with a map of the boundaries of the District, a sufficient description from which to determine the boundaries of the District, and the assessor's parcel numbers for the land within the District.

SECTION 17. The Council hereby determines that the formation of the proposed District is the creation of a government funding mechanism which is not a project under the provisions of C.E.Q.A. pursuant to Section 15378(b)(4) of the C.E.Q.A. guidelines.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 6th day of April, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By
MICHAEL D. MILICH, City Attorney

The foregoing is a correct copy of the original on file in this office which has not been revoked and is now in full force and effect.
ATTEST:
Jean Zahr
JEAN ZAHR, City Clerk of the City of Modesto, County of Stanislaus, State of California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property

until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be

levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the Tax Zone in CFD No. 2004-1 at CFD Formation; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

*** *All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.***

1. **Original Parcels**

The Maximum Special Taxes for each Land Use Class in the Original Parcel in CFD No. 2004-1 as of CFD Formation is identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **Successor Parcels**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is **greater than** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is **less than** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village

Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped

Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $1,327,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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: Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2: Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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: Compute the current Remaining Facilities Costs (if any).

Step 5: Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the **"Remaining Facilities Amount"**).

Step 6: 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 7: Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the **"Defeasance Requirement"**).

Step 10: Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the **"Administrative Fees and Expenses"**).

Step 11: If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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 12: The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the **"Prepayment Amount"**).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

EXHIBIT B

DESCRIPTION OF FACILITIES

All facilities described herein are as presented in the Village One Facilities Master Plan ("FMP") update, dated May 2003. Said master plan is incorporated herein by reference. The following descriptions summarize the facilities to be funded within CFD 2004-1.

A. Arterial Roads:

Included in the FMP are improvements to four arterial roads that will be funded by the CFD. They include Roselle Ave., from Briggsmore to the northern boundary of Village One (north of Sylvan), Floyd Ave. from Oakdale Rd. to Claus Rd., Oakdale Rd. from Briggsmore to Sylvan Ave., and Sylvan Ave. from Oakdale Rd. to Claus Rd. Also included in the CFD is partial funding for a pedestrian overcrossing on Sylvan Ave. to serve the new high school.

B. Storm Drain System:

The storm drainage system for Village One contains three detention basins:

1. West Basin: Dual-use basin that pumps water to the Central Basin.

2. Central Basin: Percolation/detention basin that pumps water to the MID Lateral #3 and may pump to Dry Creek via Claus Rd. at some time in the future.

3. East Basin: Dual-use basin that pumps water to Dry Creek via Claus Rd.

The facilities to be funded by the CFD include: basin property, trunk pipelines, force mains, pump stations, and other necessary appurtenances.

C. Parks:

Three neighborhood parks and one community park will be developed within the Village One Specific Plan area. The development of the parks will include the acquisition of land, park improvements and street frontage improvements for the Grogan Community Park, the Roselle Neighborhood Park, the Claus Neighborhood Park and the Merle Neighborhood Park.

In addition, buffer land for the community park is to be acquired, a bike trail is to be developed along MID Lateral No. 3, and a trail is to be developed along Claus Rd.

D. Public Facilities:

An area office for police is proposed within Village One. Funds are provided within the CFD for tenant improvements necessary to set up an area office.

E. Other:

Other costs associated with Village One include reimbursement to the City of Modesto for engineering of the Facilities Master Plan and planning related to the Village One Specific Plan, future annual administration costs for the CFD, and community signage for Village One.

EXHIBIT C

DESCRIPTION OF SERVICES

Included in this CFD is the maintenance of the Grogan Community Park, Roselle Neighborhood Park, Merle Neighborhood Park, Claus Neighborhood Park, arterial road parkway, median and roundabout landscaping, connector street parkway, median and roundabout landscaping, bike trails and storm drain facilities.

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, April 6, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Allen Peters, Destiny Christian Center

City Clerk's Announcements: Item 17 moved to follow Item 42.
Items 23 & 26 removed from Consent.

Declaration of Conflicts of Interest Councilmember Hawn, Item 27

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation from the Modesto A's to announce the opening of the season on April 12, 2004.

ACTION: Presentation made by the Modesto A's.

2. Presentation of a proclamation for Youth Temperance Education Week.

ACTION: Mayor Ridenour presented the proclamation.

3. Presentation regarding the Modesto Relays.

ACTION: Proclamation presented by Mayor Ridenour. A presentation was given by Cecil Russell of Savemart regarding the Relays.

4. Presentation by Beverly McCullough and Proclamation by Mayor Ridenour on the 15th Annual Earth Day in the Park Festival, April 17, 2004.

ACTION: Presentation made by Bev McCullough and proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

5. Consider appointing Noralynn Doyle Goold to the Community Qualities Forum.
· Resolution appointing Noralynn Doyle Goold to the Community Qualities Forum with an expiration date of January 1, 2008 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Res. No. 2004-170 (Jackman/Keating; unan.) appointing Noralynn Doyle Goold to the Community Qualities Forum.

ORAL COMMUNICATIONS

· Stanford commented on the flea market in Ceres and expressed his appreciation of the law enforcement protection of the event. He acknowledged the contributions of the Latino community.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED:

ACTION Consent Items 6-10, 12-16, 18-22, 24, 25, 28-33 Jackman/O'Bryant; unan
ACTION Item 11: O'Bryant/Dunbar; majority; Keating, no
ACTION Item 17: Marsh/Hawn; unan.
ACTION Item 23: Hawn/Keating; unan
ACTION Item 26: Marsh/Hawn; unan
ACTION Item 27: Jackman/Dunbar; unan.; Hawn absent due to conflict

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
6. Consider approval of the minutes of the regular City Council meeting of March 23, 2004.
· Motion approving recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved the minutes of the regular City Council meeting of March 23, 2004.

CONSENT
7. Consider final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.
· Motion approving final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved **final adoption of Ordinance 3344-C.S.** - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.

CONSENT
8. Consider accepting the Internal Audit report on Police Department Evidence and

Property Facility.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) acknowledged receipt of report.

CONSENT
9. Consider accepting the Internal Audit report on Nirvana Drug and Alcohol Treatment Center.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
10. Consider accepting the Internal Audit report on the Police Department Investigative Services Division's cash fund and cash fund procedure.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

REMOVED FROM CONSENT
11. Consider a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents.
· Resolution approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: Res. No. 2004-171 (O'Bryant/Dunbar; majority; Keating, no) approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents

CONSENT
12. Consider adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).
· Resolution adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs) recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Res. No. 2004-172 (Jackman/O'Bryant; unan) adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).

CONSENT
13. Consider altering the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village).
· Resolution of consideration to alter the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-173 (Jackman/O'Bryant; unan) to alter the existing rate and method of apportionment of the special tax in City of Modesto Community

Facilities District No. 2004-1 (Fairview Village).

CONSENT
14. Consider a report from the City Manager regarding actions taken pursuant to Shelter Emergency Resolution 2004-020.
· Motion acknowledging receipt of report recommended.
City Manager; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
15. Property acquisition from Sheldon Grover (APN: 005-3707 - portion), Matthew and Anne Long (APN: 005-3708 - portion) and Robert and Lynna Campana (APN: 005-3709 - portion) to the City of Modesto for property along Rumble Road for the Rumble Road Widening Project. Acquisition Price: APN: 005-3707 - $14,900; APN: 005-3708 - $10,000; APN: 005-3709 - $12,700.
· Resolution approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions recommended.
· Resolution authorizing the City Manager to execute Acceptance Forms for the property acquisitions recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-174 (Jackman/O'Bryant; unan) approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions.

Res. No. 2004-175 (Jackman/O'Bryant; unan) authorizing the City Manager to execute Acceptance Forms for the property acquisitions.

CONSENT
16. Sale of a portion of a one parcel of excess land along Sharon Avenue (Freedom Park) in the City of Modesto and authorizing staff to take all appropriate actions to complete the sale of said parcel to Sylvan Union School District. APN 009-0803; Sales Price, $929,000.
· Resolution authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-176 (Jackman/O'Bryant; unan) authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale.

REMOVED FROM CONSENT AND MOVED TO FOLLOW ITEM 42
17. Consider approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

· Resolution approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Res. No. 2004-176A (Marsh/Hawn; unan.) approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

CONSENT
18. Consider Accepting the Improvements for the Fernwood Phase One Subdivision in the Village One Specific Plan Area, and Authorizing the City Clerk to File a Notice of Completion and to Release Securities Upon Expiration of Statutory Periods (Owner: KB Home Central Valley, Inc., a California Corporation).
· Resolution accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Engineering & Transportation; Robert Granberg; 577-5259, rgranberg@modestogov.com

ACTION: Res. No. 2004-177 (Jackman/O'Bryant; unan) accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
19. Consider accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69. Total project cost is $164,700.07.
· Resolution accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69 recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Res. No. 2004-178 (Jackman/O'Bryant; unan) accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69.

CONSENT
20. Consider an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.
· Resolution approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-179 (Jackman/O'Bryant; unan) approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.

CONSENT

21. Consider amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage; and Consider approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.
· Resolution amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage recommended.
· Resolution approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014 recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-180 (Jackman/O'Bryant; unan) amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage.

Res. No. 2004-181 (Jackman/O'Bryant; unan) approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.

CONSENT
22. Consider authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.
· Resolution authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Res. No. 2004-182 (Jackman/O'Bryant; unan) authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.

REMOVED FROM CONSENT
23. Consider acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.
· Motion acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting recommended.
Finance; Peggy Hetzler, 577-5371, phetzler@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) acknowledged receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.

CONSENT
24. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY04 budget adjustments for March 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Res. No. 2004-183 (Jackman/O'Bryant; unan) approving FY04 budget adjustments for March 2004.

CONSENT

25. Consider a resolution authorizing the award of bid and contract for one new, high production rotary mower from H.V. Carter Co. Inc. for an estimated total cost of $76,811.78.
· Resolution authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78 recommended
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-184 (Jackman/O'Bryant; unan) authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78.

REMOVED FROM CONSENT
26. Consider authorizing awarding of bid and contract for 12 new current/model year vehicles to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year/model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the 12 new current year model vehicles is $208,360.
· Resolution authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the twelve new current year/model vehicles is $208,360 recommended.
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-185 (Marsh/Hawn; unan.) authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120.

HAWN ABSENT DUE TO CONFLICT OF INTEREST
27. Consider awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the construction of Fire Station No. 11, and authorizing the City Manager to execute the necessary documents.
· Resolution awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years recommended.
· Resolution adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account recommended.
Fire; David Grant, 572-9596, dgrant@modestofire.com

ACTION: Res. No. 2004-186 (Jackman/Dunbar; unan. Hawn absent due to conflict) awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents.

Res. No. 2004-187 (Jackman/Dunbar; unan. Hawn absent due to conflict) approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years.

Res. No. 2004-188 (Jackman/Dunbar; unan. Hawn absent due to conflict) adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account.

CONSENT
28. Consider authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.
· Resolution authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Res. No. 2004-189 (Jackman/O'Bryant; unan) authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.

CONSENT
29. Consider an amendment to the Operating Policies and Procedures for AccessModesto Community Television; and Consider a one-year agreement with Quality Video for the continued cablecast of its daily program entitle "Central Valley Reports" which airs on AccessModesto's Public Channel.
· Resolution approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television recommended.
· Resolution approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Res. No. 2004-190 (Jackman/O'Bryant; unan) approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television.

Res. No. 2004-191 (Jackman/O'Bryant; unan) approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel.

CONSENT
30. Consider accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement; and consider amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.
· Resolution accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement recommended.
· Resolution amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-192 (Jackman/O'Bryant; unan) accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement.

Res. No. 2004-193 (Jackman/O'Bryant; unan) amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.

CONSENT

1. Consider allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.
· Resolution approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Res. No. 2004-194 (Jackman/O'Bryant; unan) approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.

CONSENT
2. Consider amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor and amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.
· Resolution amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Res. No. 2004-195 (Jackman/O'Bryant; unan) amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor.

Res. No. 2004-196 (Jackman/O'Bryant; unan) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.

CONSENT
33. Consider a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center; and Consider amending the current budget.
· Resolution approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
· Resolution amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
Police; David Cooperider, 572-9678, cooperiderd@modestopd.com

ACTION: Res. No. 2004-197 (Jackman/O'Bryant; unan) approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

Res. No. 2004-198 (Jackman/O'Bryant; unan) amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

COUNCIL COMMENTS & REPORTS

· Councilmember Hawn read a statement regarding his company's involvement with City of Modesto projects and his intent to remove his firm from any project with the

City to avoid future conflicts.

· Mayor Ridenour reported on the City/County Liaison Committee meeting held last week.

WRITTEN COMMUNICATIONS

34. Letter from Fred Sandow regarding waiver of Capital Facilities Fees for the Parent Resource Center Inc. installation of modular classroom-type structure located at 811 5th Street, Modesto.

ACTION: By Motion (O'Bryant/Hawn; unan.) deferred this item and the CFF policy to the Economic Development Committee.

Recess 7:30
Reconvene 7:45

HEARINGS

35. Hearing to consider the establishment of Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit; Consider determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2); and Consider introduction of an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2).
· Resolution establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit recommended.
· Resolution determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Motion introducing an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-199 (Jackman/O'Bryant; unan.) establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit.

Res. No. 2004-200 (Jackman/O'Bryant; unan) determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) and calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2).

Res. No. 2004-201 (Jackman/O'Bryant; unan) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2).

By Motion (Jackman/O'Bryant; unan) **introduced Ordinance No. 3345-C.S.** -an ordinance authorizing the levy of special taxes within the City of Modesto Community

Facilities District No. 2004-1 (Village One #2).

Resolution Number 2004-202 was not used.

This item was continued from February 24, 2004
Councilmember Hawn absent due to conflict of interest
36. Hearing to consider the application of Modesto City Schools to prezone approximately 1.9 acres located on the north side of Glenn Avenue and west of Gutherie Street to Low-Density Residential (R-1) to allow expansion of Bret Harte Elementary School.
· Resolution finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89 recommended.
· Introduction of an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1) recommended.
· Resolution approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Res. No. 2004-203 (Dunbar/Jackman; unan.Hawn absent due to conflict) finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89; approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone; and annexing said property to the City of Modesto, Modesto Sewer District No. 1 and detaching from the Industrial Fire Protection District.

By Motion (Dunbar/Jackman; unan.Hawn absent due to conflict) **introduced Ordinance No. 3346-C.S.** - an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1).

Res. No. 2004-204 (Dunbar/Jackman; unan.Hawn absent due to conflict) approving the filing of an application to Stanislaus Local Agency Formation Commission to annex approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street

37. Hearing to consider the application of Valley Associated Urology Medical Group for rezone from SP-O (Specific Plan Overlay Zone) to P-D (Planned Development Zone) to allow a 55,000-square-foot medical office complex and associated off-street parking, property located at the northeast corner of Coffee Road and Mable Avenue.
· An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565) recommended.
· A resolution approving a development plan for P-D(565) recommended.
· A resolution finding the proposed rezoning within the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration recommended.
Community & Economic Development; Brad Wall; 577-5282, bwall@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) **introduced Ordinance No. 3347-C.S.** - An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565)

Res. No. 2004-205 (Jackman/Keating; unan) approving a development plan for P-D(565).

Res. No. 2004-206 (Jackman/Keating; unan) finding the proposed rezoning within

the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration.

38. Consider removing the crosswalk located approximately 770 feet east of Bodem Street and the bus stop it serves and reroute Modesto Area Express (MAX) Route 24 to serve the Stanislaus County Health Services Agency. Total estimated cost: One-time cost of $70,000 (removal of crosswalk and relocating bus stop) Ongoing: $30,000 (annual cost of supplemental bus service)
· Resolution directing staff to:
1) Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2) Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3) Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4) Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5) Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6) Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7) Make the changes operational in January 2005.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-207 (Jackman/Marsh; unan.) directing staff to
1. Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2. Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3. Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4. Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5. Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6. Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7. Make the changes operational in January 2005

NEW BUSINESS

39. Update regarding the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.
· Motion to accept staff report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations recommended.
Personnel; Ben Bankard, 577-5446; bbankard@modestogov.com

ACTION: By Motion (Hawn/Dunbar; unan.) acknowledged receipt of report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.

40. Consider approving short-range improvements to the Modesto Area Express (MAX) public transit system including new service to be implemented January 2005, and appropriating $324,000 to the upcoming FY04/05 operating budget to cover six months of operation of the new service.

· Resolution approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate recommended.
· Resolution committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service recommended.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-208 (Jackman/Keating; unan.) approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate.

Res. No. 2004-209 (Jackman/Keating; unan.) committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service.

41. Consider the establishment of a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.
· Motion directing staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings recommended.
Operations & Maintenance; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directed staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.

42. Consider a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.
· Resolution awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account recommended.
Finance; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Res. No. 2004-210 (Dunbar/Marsh; unan.) awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.

43. Consider approving the allocation of Community Development Block Grant (CDBG)

funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs; and consider authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.
· Resolution approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs recommended.
· Resolution authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-211 (Jackman/O'Bryant; unan.) approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs.

Res. No. 2004-212 (Jackman/O'Bryant; unan.) authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

The meeting adjourned at 9:30 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.
CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association
Modesto Police Management Association

****

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Modesto City Employees Association (MCEA) v. City of Modesto before the Public Employment Relations Board (PERB)

****

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Purchase, sale or lease of property located on Rumble Road for Rumble Road Widening Project as follows:

Sheldon Grover - APN: 005-3707 (portion)
Matthew and Anne Long - APN: 005-3708 (portion)
Robert and Lynna Campana - APN: 005-3709 (portion)

Negotiating Parties: Ms. Jaime Guillen, Associated Right of Way Services, as Property Agent on behalf of the City of Modesto

Sheldon Grover, Matthew and Anne Long,
and Robert and Lynna Campana, Owners

Under Negotiation: Price and terms of payment for property to be acquired.

****

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: Jack Crist, City Manager
Robin Renwick, Personnel Director
Jim Miguel, Fire Chief
Employee Organization: Modesto City Fire Fighters Association

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-200

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO DETERMINING THE NECESSITY TO INCUR A BONDED INDEBTEDNESS WITHIN PROPOSED CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT

WHEREAS, the City Council (the "Council") of the City of Modesto (the "City"), did, on March 2, 2004, adopt its Resolution No. 2004-127, entitled "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein" (the "Resolution of Intention to Establish the District") stating its intention to form Community Facilities District No. 2004-1 (the "District") pursuant to Chapter 2.5 of Part 1 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act");

WHEREAS, on such date this Council also adopted its Resolution No. 2004-128, entitled "A Resolution of the City Council of the City of Modesto of Intention to Incur Bonded Indebtedness in an Amount not to Exceed $75,000,000 within Proposed City of Modesto Community Facilities District No. 2004-1 (Village One #2)" (the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness within the boundaries of the District for the purpose of financing the Facilities to be financed by the District as specified in the Resolution of Intention to Establish the District;

WHEREAS, at the time and date set for the hearing (April 6, 2004) pursuant to the Resolution of Intention to Establish the District, this Council held the public hearing, as required by the Act, relative to the formation of the District, the provision of the

Facilities, as well as the Services specified in the Resolution of Intention to Establish the District, and the rate, method of apportionment, and manner of collection of the special taxes to be levied within the District;

WHEREAS, on April 6, 2004, pursuant to the Resolution of Intention to Incur Indebtedness, this Council held the 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;

WHEREAS, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness were filed with the City Clerk as of the closing of the hearing thereon;

WHEREAS, subsequent to the hearings, this Council did, on April 6, 2004, adopt its Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling and Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), which describes the Facilities and Services to be financed by the District;

WHEREAS, this Council did, in the Resolution of Formation, and in accordance with Sections 53325.7 and 53353.5 of the Act, determine to consolidate the election on the levy of the special taxes and the establishment of an appropriations limit for the District with the election on whether to incur a bonded indebtedness in the District;

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the District; accordingly, the qualified electors in the District are the landowners; and

WHEREAS, the City Clerk, being this Council's designated election official for purposes of the election, has concurred in the date herein set forth for the election.

NOW, THEREFORE, the Council hereby finds and determines and orders as follows:

1. The foregoing recitals are true and correct.
2. This Council deems it necessary to incur bonded indebtedness.
3. The indebtedness will be incurred for the purpose of financing the construction and/or acquisition of certain public facilities (the "Facilities"), having a useful life of five years or longer, and the paying of incidental expenses thereof, as provided in the Resolution of Formation.
4. The whole of the District shall pay for the bonded indebtedness.
5. The amount of bonded indebtedness to be incurred is not to exceed $75,000,000.
6. The maximum term of the bonds of any series thereof shall not exceed thirty-five (35) years from their date.
7. The bonds shall bear interest at rate or rates not to exceed the maximum rate permitted by law at the time the bonds are issued, payable semiannually or in such other manner as this Council shall determine, the actual rate or rates and times of payment of such interest to be determined by this Council at the time or times the bonds are issued.
8. The proposition of incurring the bonded indebtedness shall be submitted to the voters of the District and, pursuant to Section 53353.5 of the Act and the Resolution of Formation, the propositions on the levy of a special taxes, the establishment of an appropriations limit, and whether to incur the bonded indebtedness shall be combined in a single ballot measure substantially in the form attached hereto as **Exhibit A.**

9. A special consolidated election is hereby called at which the measures referenced in Section 8 shall be submitted to the qualified electors of the District. The election shall be held in accordance with and subject to the Act, all the terms of which shall, unless waived as herein provided, be applicable to the election.

10. Fewer than twelve (12) persons have been registered to vote within the territory of the District for the ninety (90) days preceding the close of the hearings on the special tax levy and the proposed bonded indebtedness. Accordingly, the vote shall be by the landowners of the District, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the District. The City Clerk shall canvass the returns and certify the results of the election to this Council.

    The City Clerk has received the appropriate waivers of time limits and other requirements pertaining to the conduct of the election by the owners of all of the Land within the District (the "Landowners") and the election shall be held on the 6th day of April, 2004. The election shall be conducted by the City Clerk in the manner required by this Resolution, the Act and applicable laws.

    The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

11. In accordance with Section 53327(b) of the Act, analysis and arguments as required by Section 53327(a) of the Act are hereby waived subject to the unanimous consent of Landowners, as herein provided.

12. If two-thirds (2/3) of the votes cast upon the question of incurring the bonded indebtedness are cast in favor of the indebtedness, this Council may thereafter, at the time or times it deems proper, incur the indebtedness so authorized.

13. The publication of this resolution as notice of special bond election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowners.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 6th day of April, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Milich
MICHAEL D. MILICH, City Attorney

The foregoing is a correct copy of the original on file in this office which has not been revoked and is now in full force and effect.
ATTEST:
Jean Zahr
JEAN ZAHR, City Clerk of the City of Modesto, County of Stanislaus, State of California

EXHIBIT A

SAMPLE

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2004-1 (Village One #2)
OF
THE CITY OF MODESTO
STATE OF CALIFORNIA
SPECIAL TAX AND BOND ELECTION
April 6, 2004

BALLOT NO. ____

____ % of land in District
You are entitled to cast ___ votes
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO." All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. for instructions.

MARK YOUR CHOICE IN THIS MANNER ONLY: ☑

MEASURE SUBMITTED
TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO.

____ % of land in District
THIS BALLOT HAS A VALUE OF___ VOTES

SF1 1390082v2 83500/90100

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, April 6, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Allen Peters, Destiny Christian Center

City Clerk's Announcements: Item 17 moved to follow Item 42.
Items 23 & 26 removed from Consent.

Declaration of Conflicts of Interest Councilmember Hawn, Item 27

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation from the Modesto A's to announce the opening of the season on April 12, 2004.

ACTION: Presentation made by the Modesto A's.

2. Presentation of a proclamation for Youth Temperance Education Week.

ACTION: Mayor Ridenour presented the proclamation.

3. Presentation regarding the Modesto Relays.

ACTION: Proclamation presented by Mayor Ridenour. A presentation was given by Cecil Russell of Savemart regarding the Relays.

4. Presentation by Beverly McCullough and Proclamation by Mayor Ridenour on the 15th Annual Earth Day in the Park Festival, April 17, 2004.

ACTION: Presentation made by Bev McCullough and proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

5. Consider appointing Noralynn Doyle Goold to the Community Qualities Forum.
· Resolution appointing Noralynn Doyle Goold to the Community Qualities Forum with an expiration date of January 1, 2008 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Res. No. 2004-170 (Jackman/Keating; unan.) appointing Noralynn Doyle Goold to the Community Qualities Forum.

ORAL COMMUNICATIONS

· Stanford commented on the flea market in Ceres and expressed his appreciation of the law enforcement protection of the event. He acknowledged the contributions of the Latino community.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED:

ACTION Consent Items 6-10, 12-16, 18-22, 24, 25, 28-33 Jackman/O'Bryant; unan
ACTION Item 11: O'Bryant/Dunbar; majority; Keating, no
ACTION Item 17: Marsh/Hawn; unan.
ACTION Item 23: Hawn/Keating; unan
ACTION Item 26: Marsh/Hawn; unan
ACTION Item 27: Jackman/Dunbar; unan.; Hawn absent due to conflict

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
6. Consider approval of the minutes of the regular City Council meeting of March 23, 2004.
· Motion approving recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved the minutes of the regular City Council meeting of March 23, 2004.

CONSENT
7. Consider final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.
· Motion approving final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved **final adoption of Ordinance 3344-C.S.** - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.

CONSENT
8. Consider accepting the Internal Audit report on Police Department Evidence and

Property Facility.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) acknowledged receipt of report.

CONSENT
9. Consider accepting the Internal Audit report on Nirvana Drug and Alcohol Treatment Center.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
10. Consider accepting the Internal Audit report on the Police Department Investigative Services Division's cash fund and cash fund procedure.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

REMOVED FROM CONSENT
11. Consider a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents.
· Resolution approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: Res. No. 2004-171 (O'Bryant/Dunbar; majority; Keating, no) approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents

CONSENT
12. Consider adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).
· Resolution adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs) recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Res. No. 2004-172 (Jackman/O'Bryant; unan) adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).

CONSENT
13. Consider altering the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village).
· Resolution of consideration to alter the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-173 (Jackman/O'Bryant; unan) to alter the existing rate and method of apportionment of the special tax in City of Modesto Community

Facilities District No. 2004-1 (Fairview Village).

CONSENT
14. Consider a report from the City Manager regarding actions taken pursuant to Shelter Emergency Resolution 2004-020.
· Motion acknowledging receipt of report recommended.
City Manager; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
15. Property acquisition from Sheldon Grover (APN: 005-3707 - portion), Matthew and Anne Long (APN: 005-3708 - portion) and Robert and Lynna Campana (APN: 005-3709 - portion) to the City of Modesto for property along Rumble Road for the Rumble Road Widening Project. Acquisition Price: APN: 005-3707 - $14,900; APN: 005-3708 - $10,000; APN: 005-3709 - $12,700.
· Resolution approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions recommended.
· Resolution authorizing the City Manager to execute Acceptance Forms for the property acquisitions recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-174 (Jackman/O'Bryant; unan) approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions.

Res. No. 2004-175 (Jackman/O'Bryant; unan) authorizing the City Manager to execute Acceptance Forms for the property acquisitions.

CONSENT
16. Sale of a portion of a one parcel of excess land along Sharon Avenue (Freedom Park) in the City of Modesto and authorizing staff to take all appropriate actions to complete the sale of said parcel to Sylvan Union School District. APN 009-0803; Sales Price, $929,000.
· Resolution authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-176 (Jackman/O'Bryant; unan) authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale.

REMOVED FROM CONSENT AND MOVED TO FOLLOW ITEM 42
17. Consider approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

· Resolution approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Res. No. 2004-176A (Marsh/Hawn; unan.) approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

CONSENT
18. Consider Accepting the Improvements for the Fernwood Phase One Subdivision in the Village One Specific Plan Area, and Authorizing the City Clerk to File a Notice of Completion and to Release Securities Upon Expiration of Statutory Periods (Owner: KB Home Central Valley, Inc., a California Corporation).
· Resolution accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Engineering & Transportation; Robert Granberg; 577-5259, rgranberg@modestogov.com

ACTION: Res. No. 2004-177 (Jackman/O'Bryant; unan) accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
19. Consider accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69. Total project cost is $164,700.07.
· Resolution accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69 recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Res. No. 2004-178 (Jackman/O'Bryant; unan) accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69.

CONSENT
20. Consider an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.
· Resolution approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-179 (Jackman/O'Bryant; unan) approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.

CONSENT

21. Consider amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage; and Consider approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.
· Resolution amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage recommended.
· Resolution approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014 recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-180 (Jackman/O'Bryant; unan) amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage.

Res. No. 2004-181 (Jackman/O'Bryant; unan) approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.

CONSENT
22. Consider authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.
· Resolution authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Res. No. 2004-182 (Jackman/O'Bryant; unan) authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.

REMOVED FROM CONSENT
23. Consider acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.
· Motion acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting recommended.
Finance; Peggy Hetzler, 577-5371, phetzler@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) acknowledged receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.

CONSENT
24. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY04 budget adjustments for March 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Res. No. 2004-183 (Jackman/O'Bryant; unan) approving FY04 budget adjustments for March 2004.

CONSENT

25. Consider a resolution authorizing the award of bid and contract for one new, high production rotary mower from H.V. Carter Co. Inc. for an estimated total cost of $76,811.78.
· Resolution authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78 recommended
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-184 (Jackman/O'Bryant; unan) authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78.

REMOVED FROM CONSENT
26. Consider authorizing awarding of bid and contract for 12 new current/model year vehicles to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year/model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the 12 new current year model vehicles is $208,360.
· Resolution authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the twelve new current year/model vehicles is $208,360 recommended.
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-185 (Marsh/Hawn; unan.) authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120.

HAWN ABSENT DUE TO CONFLICT OF INTEREST
27. Consider awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the construction of Fire Station No. 11, and authorizing the City Manager to execute the necessary documents.
· Resolution awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years recommended.
· Resolution adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account recommended.
Fire; David Grant, 572-9596, dgrant@modestofire.com

ACTION: Res. No. 2004-186 (Jackman/Dunbar; unan. Hawn absent due to conflict) awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents.

Res. No. 2004-187 (Jackman/Dunbar; unan. Hawn absent due to conflict) approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years.

Res. No. 2004-188 (Jackman/Dunbar; unan. Hawn absent due to conflict) adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account.

CONSENT
28. Consider authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.
· Resolution authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Res. No. 2004-189 (Jackman/O'Bryant; unan) authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.

CONSENT
29. Consider an amendment to the Operating Policies and Procedures for AccessModesto Community Television; and Consider a one-year agreement with Quality Video for the continued cablecast of its daily program entitle "Central Valley Reports" which airs on AccessModesto's Public Channel.
· Resolution approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television recommended.
· Resolution approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Res. No. 2004-190 (Jackman/O'Bryant; unan) approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television.

Res. No. 2004-191 (Jackman/O'Bryant; unan) approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel.

CONSENT
30. Consider accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement; and consider amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.
· Resolution accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement recommended.
· Resolution amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-192 (Jackman/O'Bryant; unan) accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement.

Res. No. 2004-193 (Jackman/O'Bryant; unan) amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.

CONSENT

1. Consider allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.
· Resolution approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Res. No. 2004-194 (Jackman/O'Bryant; unan) approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.

CONSENT
2. Consider amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor and amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.
· Resolution amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Res. No. 2004-195 (Jackman/O'Bryant; unan) amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor.

Res. No. 2004-196 (Jackman/O'Bryant; unan) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.

CONSENT
33. Consider a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center; and Consider amending the current budget.
· Resolution approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
· Resolution amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
Police; David Cooperider, 572-9678, cooperiderd@modestopd.com

ACTION: Res. No. 2004-197 (Jackman/O'Bryant; unan) approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

Res. No. 2004-198 (Jackman/O'Bryant; unan) amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

COUNCIL COMMENTS & REPORTS

· Councilmember Hawn read a statement regarding his company's involvement with City of Modesto projects and his intent to remove his firm from any project with the

City to avoid future conflicts.

· Mayor Ridenour reported on the City/County Liaison Committee meeting held last week.

WRITTEN COMMUNICATIONS

34. Letter from Fred Sandow regarding waiver of Capital Facilities Fees for the Parent Resource Center Inc. installation of modular classroom-type structure located at 811 5th Street, Modesto.

ACTION: By Motion (O'Bryant/Hawn; unan.) deferred this item and the CFF policy to the Economic Development Committee.

Recess 7:30
Reconvene 7:45

HEARINGS

35. Hearing to consider the establishment of Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit; Consider determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2); and Consider introduction of an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2).
· Resolution establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit recommended.
· Resolution determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Motion introducing an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-199 (Jackman/O'Bryant; unan.) establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit.

Res. No. 2004-200 (Jackman/O'Bryant; unan) determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) and calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2).

Res. No. 2004-201 (Jackman/O'Bryant; unan) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2).

By Motion (Jackman/O'Bryant; unan) **introduced Ordinance No. 3345-C.S.** -an ordinance authorizing the levy of special taxes within the City of Modesto Community

Facilities District No. 2004-1 (Village One #2).

Resolution Number 2004-202 was not used.

This item was continued from February 24, 2004
Councilmember Hawn absent due to conflict of interest
36. Hearing to consider the application of Modesto City Schools to prezone approximately 1.9 acres located on the north side of Glenn Avenue and west of Gutherie Street to Low-Density Residential (R-1) to allow expansion of Bret Harte Elementary School.
· Resolution finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89 recommended.
· Introduction of an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1) recommended.
· Resolution approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Res. No. 2004-203 (Dunbar/Jackman; unan.Hawn absent due to conflict) finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89; approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone; and annexing said property to the City of Modesto, Modesto Sewer District No. 1 and detaching from the Industrial Fire Protection District.

By Motion (Dunbar/Jackman; unan.Hawn absent due to conflict) **introduced Ordinance No. 3346-C.S.** - an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1).

Res. No. 2004-204 (Dunbar/Jackman; unan.Hawn absent due to conflict) approving the filing of an application to Stanislaus Local Agency Formation Commission to annex approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street

37. Hearing to consider the application of Valley Associated Urology Medical Group for rezone from SP-O (Specific Plan Overlay Zone) to P-D (Planned Development Zone) to allow a 55,000-square-foot medical office complex and associated off-street parking, property located at the northeast corner of Coffee Road and Mable Avenue.
· An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565) recommended.
· A resolution approving a development plan for P-D(565) recommended.
· A resolution finding the proposed rezoning within the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration recommended.
Community & Economic Development; Brad Wall; 577-5282, bwall@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) **introduced Ordinance No. 3347-C.S.** - An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565)

Res. No. 2004-205 (Jackman/Keating; unan) approving a development plan for P-D(565).

Res. No. 2004-206 (Jackman/Keating; unan) finding the proposed rezoning within

the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration.

38. Consider removing the crosswalk located approximately 770 feet east of Bodem Street and the bus stop it serves and reroute Modesto Area Express (MAX) Route 24 to serve the Stanislaus County Health Services Agency. Total estimated cost: One-time cost of $70,000 (removal of crosswalk and relocating bus stop) Ongoing: $30,000 (annual cost of supplemental bus service)
· Resolution directing staff to:
1) Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2) Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3) Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4) Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5) Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6) Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7) Make the changes operational in January 2005.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-207 (Jackman/Marsh; unan.) directing staff to
1. Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2. Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3. Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4. Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5. Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6. Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7. Make the changes operational in January 2005

NEW BUSINESS

39. Update regarding the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.
· Motion to accept staff report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations recommended.
Personnel; Ben Bankard, 577-5446; bbankard@modestogov.com

ACTION: By Motion (Hawn/Dunbar; unan.) acknowledged receipt of report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.

40. Consider approving short-range improvements to the Modesto Area Express (MAX) public transit system including new service to be implemented January 2005, and appropriating $324,000 to the upcoming FY04/05 operating budget to cover six months of operation of the new service.

· Resolution approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate recommended.
· Resolution committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service recommended.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-208 (Jackman/Keating; unan.) approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate.

Res. No. 2004-209 (Jackman/Keating; unan.) committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service.

41. Consider the establishment of a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.
· Motion directing staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings recommended.
Operations & Maintenance; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directed staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.

42. Consider a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.
· Resolution awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account recommended.
Finance; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Res. No. 2004-210 (Dunbar/Marsh; unan.) awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.

43. Consider approving the allocation of Community Development Block Grant (CDBG)

funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs; and consider authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.
· Resolution approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs recommended.
· Resolution authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-211 (Jackman/O'Bryant; unan.) approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs.

Res. No. 2004-212 (Jackman/O'Bryant; unan.) authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

The meeting adjourned at 9:30 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.
CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association
Modesto Police Management Association

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CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Modesto City Employees Association (MCEA) v. City of Modesto before the Public Employment Relations Board (PERB)

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CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Purchase, sale or lease of property located on Rumble Road for Rumble Road Widening Project as follows:

Sheldon Grover - APN: 005-3707 (portion)
Matthew and Anne Long - APN: 005-3708 (portion)
Robert and Lynna Campana - APN: 005-3709 (portion)

Negotiating Parties: Ms. Jaime Guillen, Associated Right of Way Services, as Property Agent on behalf of the City of Modesto

Sheldon Grover, Matthew and Anne Long,
and Robert and Lynna Campana, Owners

Under Negotiation: Price and terms of payment for property to be acquired.

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CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: Jack Crist, City Manager
Robin Renwick, Personnel Director
Jim Miguel, Fire Chief
Employee Organization: Modesto City Fire Fighters Association

ORDINANCE NO. 3345-C.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MODESTO AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

The Council of the City of Modesto does ordain as follows:

WHEREAS, the City Council of the City of Modesto, (the "Council"), did, on March 2, 2004, adopt its Resolution No. 2004-127 (the "Resolution of Intention to Establish the District") stating its intention to form City of Modesto Community Facilities District No. 2004-1 of the City of Modesto (the "District") pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, the Council did, on March 2, 2004, also adopt its Resolution No. 2004-1 (the "Resolution of Intention to Incur Bonded Indebtedness") stating its intention to incur bonded indebtedness in an amount not to exceed $75,000,000 within the District, for the purpose of financing the costs of certain public facilities (the "Facilities") specified in the Resolution of Intention to Establish the District; and

WHEREAS, notice was published as required by law relative to the intention of this Council to form the District and to incur the bonded indebtedness; and

WHEREAS, this Council held the noticed public hearings as required by law (1) to determine whether it should proceed with the formation of the District and authorize, subject to a vote of the qualified electors, the levy of the special taxes within the District to pay debt service on bonds to be issued to finance the Facilities, to pay for the Facilities, to pay any authorized costs and expenses related thereto, and to pay for certain services (the "Services"), all

as described in the Resolution of Intention to Establish the District, and (2) on the proposal to incur the bonded indebtedness, subject to a vote of the qualified electors, as described in the Resolution of Intention to Incur Bonded Indebtedness; and

WHEREAS, at the hearings all persons desiring to be heard on all matters pertaining to the formation of the District, the levy of the special taxes, the proposed bonded indebtedness, and all other matters set forth in the Resolution of Intention to Establish the District and the Resolution of Intention to Incur Bonded Indebtedness, were heard and considered and full and fair hearings were held thereon; and

WHEREAS, following the hearings, this Council did, on April 6, 2004, adopt its Resolution No. 2004-199 (the "Resolution of Formation") which established the District, determined the validity of prior proceedings relative to the formation of the District, authorized the levy of the special taxes within the District subject to the vote of the qualified electors, called an election within the District for April 6, 2004, on the propositions of levying the special taxes and establishing an appropriations limit for the District, and ordered the election consolidated with the election at which the proposition of incurring the bonded indebtedness is submitted to the qualified electors of the District; and

WHEREAS, following the hearing, this Council did, on April 6, 2004, also adopt its Resolution No. 2004-200 (the "Resolution to Incur Bonded Indebtedness") which determined the necessity of incurring bonded indebtedness in an amount not to exceed $75,000,000, and called an election within the District for April 6, 2004, on the proposition of incurring the bonded indebtedness; and

WHEREAS, on April 6, 2004, in accordance with the Resolution of Formation and the Resolution to Incur Bonded Indebtedness, a consolidated election was held within the

District at which the qualified electors approved by more than a two-thirds vote the propositions of levying the special taxes, establishing the appropriations limit, and incurring the bonded indebtedness;

NOW, THEREFORE, the City Council of the City of Modesto DOES ORDAIN as follows:

SECTION 1. The above recitals are true and correct and this Council so finds and determines.

SECTION 2. By the passage of this Ordinance, this Council authorizes and levies the special taxes within the District pursuant to Sections 53328 and 53340 of the Act, at the rates and in accordance with the method of apportionment set forth in Exhibit A hereto (the "Rate and Method of Apportionment"). Each of the components of the special taxes (being the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax, all as defined in Exhibit A) is levied commencing in Fiscal Year 2004-05, and in each Fiscal Year thereafter until the date at which such component of the special taxes may no longer be validly levied, which, in the case of the Annual Facilities Tax , is after Fiscal Year 2060-61.

SECTION 3. The District Administrator is authorized and directed each Fiscal Year to determine the special taxes to be levied for the next ensuing Fiscal Year for each parcel of real property within the District, in the manner and as provided in the Rate and Method of Apportionment. The District Administrator shall deliver a certified copy of the Ordinance to the Auditor - Controller of the County of Stanislaus, and for each year, commencing Fiscal Year 2004-05 for which the special taxes will be validly levied, appropriate documentation related to the placement of such special taxes on the Stanislaus County tax roll.

SECTION 4. Properties or entities of the State, federal or local governments are exempt from the levy of the special taxes to the extent set forth in the Rate and Method of Apportionment. In no event shall the special taxes be levied on any parcel within the District in excess of the maximum taxes specified in the Rate and Method of Apportionment.

SECTION 5. All of the collections of the special taxes shall be used as provided for in the Act and the Resolution of Formation.

SECTION 6. The Annual Facilities Special Tax and the Annual Maintenance Special Tax shall be collected on the secured real property tax roll in the same manner as ordinary *ad valorem* taxes are collected. These special taxes 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. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent tax payments of those special taxes. The District Administrator is authorized and directed to provide all necessary information to the Treasurer-Tax Collector of Stanislaus County and to otherwise take all actions necessary in order to effect proper billing and collection of these special taxes, so that these special taxes are levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each Fiscal Year.

Notwithstanding the foregoing, the District Administrator may collect one or more installments of such special taxes by means of direct billing of the property owners within the District if, in the judgment of such officer, such means of collection will reduce the burden of administering the District or is otherwise appropriate in the circumstances. In such event, those special taxes will become delinquent if not paid when due as set forth in any such billing to the property owners.

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within the District, and shall be immediately delinquent if not paid.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid or any component of the special taxes is found to be inapplicable to any particular parcel within the District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the other components of the special taxes to that parcel, and the application of the special taxes to the remaining parcels within the District, shall not be affected.

SECTION 8. This Ordinance shall be effective after thirty (30) days from its final passage and adoption.

SECTION 9. At least two (2) days prior to its final adoption, copies of this Ordinance shall be posted in at least three (3) prominent and distinct locations in the City; and a notice shall be published once in *The Modesto Bee*, the official newspaper of the City of Modesto, setting forth the title of this Ordinance, the date of its introduction and the places where this Ordinance is posted.

* * * * *

The foregoing Ordinance was introduced at a regular meeting of the Council of the City of Modesto held on the 6th day of April, 2004, by Councilmember Jackman, who moved its introduction and passage to print, which motion being duly seconded by Councilmember O('Bryant, was upon roll call carried and ordered printed and published by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

APPROVED: _____
JIM RIDENOUR, Mayor

ATTEST:

By _____
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By _____
MICHAEL D. MILICH, City Attorney

The foregoing is a correct copy of the original on file in this office which has not been revoked and is now in full force and effect.
ATTEST:

for **JEAN ZAHR, City Clerk of the City of Modesto, County of Stanislaus, State of California**

Ord. No. 3345-C.S.

FINAL ADOPTION CLAUSE

The foregoing ordinance, having been published as required by the Charter of the City of Modesto, and coming on for final consideration at the regular meeting of the Council of the City of Modesto held on the 27th day of April, 2004, Councilmember Jackman moved its final adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the ordinance adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Hawn

APPROVED: _____
MAYOR JIM RIDENOUR

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

Effective Date: May 27, 2004

April 28, 2004/City Clerk/mRomey

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property

until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be

levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the Tax Zone in CFD No. 2004-1 at CFD Formation; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

*** All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.***

1. **Original Parcels**

The Maximum Special Taxes for each Land Use Class in the Original Parcel in CFD No. 2004-1 as of CFD Formation is identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **Successor Parcels**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is **greater than** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is **less than** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village

Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $1,327,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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: Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2: Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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: Compute the current Remaining Facilities Costs (if any).

Step 5: Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the **"Remaining Facilities Amount"**).

Step 6: 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 7: Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the **"Defeasance Requirement"**).

Step 10: Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the **"Administrative Fees and Expenses"**).

Step 11: If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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 12: The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the **"Prepayment Amount"**).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning,

collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, April 6, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Allen Peters, Destiny Christian Center

City Clerk's Announcements: Item 17 moved to follow Item 42.
Items 23 & 26 removed from Consent.

Declaration of Conflicts of Interest Councilmember Hawn, Item 27

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation from the Modesto A's to announce the opening of the season on April 12, 2004.

ACTION: Presentation made by the Modesto A's.

2. Presentation of a proclamation for Youth Temperance Education Week.

ACTION: Mayor Ridenour presented the proclamation.

3. Presentation regarding the Modesto Relays.

ACTION: Proclamation presented by Mayor Ridenour. A presentation was given by Cecil Russell of Savemart regarding the Relays.

4. Presentation by Beverly McCullough and Proclamation by Mayor Ridenour on the 15th Annual Earth Day in the Park Festival, April 17, 2004.

ACTION: Presentation made by Bev McCullough and proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

5. Consider appointing Noralynn Doyle Goold to the Community Qualities Forum.
· Resolution appointing Noralynn Doyle Goold to the Community Qualities Forum with an expiration date of January 1, 2008 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Res. No. 2004-170 (Jackman/Keating; unan.) appointing Noralynn Doyle Goold to the Community Qualities Forum.

ORAL COMMUNICATIONS

· Stanford commented on the flea market in Ceres and expressed his appreciation of the law enforcement protection of the event. He acknowledged the contributions of the Latino community.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED:

ACTION Consent Items 6-10, 12-16, 18-22, 24, 25, 28-33 Jackman/O'Bryant; unan
ACTION Item 11: O'Bryant/Dunbar; majority; Keating, no
ACTION Item 17: Marsh/Hawn; unan.
ACTION Item 23: Hawn/Keating; unan
ACTION Item 26: Marsh/Hawn; unan
ACTION Item 27: Jackman/Dunbar; unan.; Hawn absent due to conflict

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
6. Consider approval of the minutes of the regular City Council meeting of March 23, 2004.
· Motion approving recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved the minutes of the regular City Council meeting of March 23, 2004.

CONSENT
7. Consider final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.
· Motion approving final adoption of Ordinance 3344-C.S. - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved **final adoption of Ordinance 3344-C.S.** - an Ordinance amending Section 3?2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to speed limits.

CONSENT
8. Consider accepting the Internal Audit report on Police Department Evidence and

Property Facility.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) acknowledged receipt of report.

CONSENT
9. Consider accepting the Internal Audit report on Nirvana Drug and Alcohol Treatment Center.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
10. Consider accepting the Internal Audit report on the Police Department Investigative Services Division's cash fund and cash fund procedure.
· Motion acknowledging receipt of report recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

REMOVED FROM CONSENT
11. Consider a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents.
· Resolution approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, ghienhuis@modestogov.com

ACTION: Res. No. 2004-171 (O'Bryant/Dunbar; majority; Keating, no) approving a contract with Maze & Associates to perform financial-related work, at a cost not to exceed $78,200, and authorizing the City Manager to execute the necessary documents

CONSENT
12. Consider adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).
· Resolution adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs) recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Res. No. 2004-172 (Jackman/O'Bryant; unan) adopting amendments to the City's Policies and Procedures for formation and administration of Mello-Roos Community Facilities Districts (CFDs).

CONSENT
13. Consider altering the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village).
· Resolution of consideration to alter the existing rate and method of apportionment of the special tax in City of Modesto Community Facilities District No. 2004-1 (Fairview Village) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-173 (Jackman/O'Bryant; unan) to alter the existing rate and method of apportionment of the special tax in City of Modesto Community

Facilities District No. 2004-1 (Fairview Village).

CONSENT
14. Consider a report from the City Manager regarding actions taken pursuant to Shelter Emergency Resolution 2004-020.
· Motion acknowledging receipt of report recommended.
City Manager; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan) acknowledged receipt of report.

CONSENT
15. Property acquisition from Sheldon Grover (APN: 005-3707 - portion), Matthew and Anne Long (APN: 005-3708 - portion) and Robert and Lynna Campana (APN: 005-3709 - portion) to the City of Modesto for property along Rumble Road for the Rumble Road Widening Project. Acquisition Price: APN: 005-3707 - $14,900; APN: 005-3708 - $10,000; APN: 005-3709 - $12,700.
· Resolution approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions recommended.
· Resolution authorizing the City Manager to execute Acceptance Forms for the property acquisitions recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-174 (Jackman/O'Bryant; unan) approving three agreements for the property acquisition for Rumble Road Widening Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto between the City of Modesto and Sheldon Grover, Matthew and Anne Long, and Robert and Lynna Campana for the property acquisitions.

Res. No. 2004-175 (Jackman/O'Bryant; unan) authorizing the City Manager to execute Acceptance Forms for the property acquisitions.

CONSENT
16. Sale of a portion of a one parcel of excess land along Sharon Avenue (Freedom Park) in the City of Modesto and authorizing staff to take all appropriate actions to complete the sale of said parcel to Sylvan Union School District. APN 009-0803; Sales Price, $929,000.
· Resolution authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale recommended.
Community & Economic Development; Linda Boston, 571-5179; lboston@modestogov.com

ACTION: Res. No. 2004-176 (Jackman/O'Bryant; unan) authorizing the City Manager to take all appropriate actions to complete the sale of said parcel portion located along Sharon Avenue (Freedom Park) and authorizing the City Manager to execute all required documents related to said property sale.

REMOVED FROM CONSENT AND MOVED TO FOLLOW ITEM 42
17. Consider approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

· Resolution approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Res. No. 2004-176A (Marsh/Hawn; unan.) approving the award of a $449,000 contract to West Yost & Associates for professional services related to developing a Preliminary Design for the Modesto Regional Water Treatment Plant Phase Two Expansion - Downstream Improvements, and authorizing the City Manager to execute the necessary documents.

CONSENT
18. Consider Accepting the Improvements for the Fernwood Phase One Subdivision in the Village One Specific Plan Area, and Authorizing the City Clerk to File a Notice of Completion and to Release Securities Upon Expiration of Statutory Periods (Owner: KB Home Central Valley, Inc., a California Corporation).
· Resolution accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Engineering & Transportation; Robert Granberg; 577-5259, rgranberg@modestogov.com

ACTION: Res. No. 2004-177 (Jackman/O'Bryant; unan) accepting the improvements for the Fernwood Phase One Subdivision and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
19. Consider accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69. Total project cost is $164,700.07.
· Resolution accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69 recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Res. No. 2004-178 (Jackman/O'Bryant; unan) accepting as complete the work of On Grade Contracting for the "Installation of a Right-Turn Lane from Downey Avenue onto McHenry Avenue" project, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $93,325.69.

CONSENT
20. Consider an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.
· Resolution approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-179 (Jackman/O'Bryant; unan) approving an agreement consenting to Common Use with Modesto Irrigation District (MID) at Rumble Road and Conant Avenue, and authorizing the City Manager to execute the agreement.

CONSENT

21. Consider amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage; and Consider approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.
· Resolution amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage recommended.
· Resolution approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014 recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Res. No. 2004-180 (Jackman/O'Bryant; unan) amending the FY03-04 Capital Improvement Budget to appropriate $20,000 the Storm Drain Reserves for the project titled "9th Street Storm Drainage.

Res. No. 2004-181 (Jackman/O'Bryant; unan) approving a $29,505 amendment to the $430,509 Boyle Engineering consultant contract for the design of the 9th Street Storm Drain, and authorizing the City Manager to execute the necessary documents, increasing the total estimated cost of the services to $460,014.

CONSENT
22. Consider authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.
· Resolution authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Res. No. 2004-182 (Jackman/O'Bryant; unan) authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of bulk fuel red dyed #2 diesel, for a three-year agreement for an estimated annual cost of $44,721.

REMOVED FROM CONSENT
23. Consider acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.
· Motion acknowledging receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting recommended.
Finance; Peggy Hetzler, 577-5371, phetzler@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) acknowledged receipt and ratification of the budget policy guidance provided by the Finance Committee at its March 22, 2004 meeting.

CONSENT
24. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY04 budget adjustments for March 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Res. No. 2004-183 (Jackman/O'Bryant; unan) approving FY04 budget adjustments for March 2004.

CONSENT

25. Consider a resolution authorizing the award of bid and contract for one new, high production rotary mower from H.V. Carter Co. Inc. for an estimated total cost of $76,811.78.
· Resolution authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78 recommended
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-184 (Jackman/O'Bryant; unan) authorizing the award of bid and contract for one new, high production rotary mower from H. V. Carter Co. Inc. for an estimated total cost of $76,811.78.

REMOVED FROM CONSENT
26. Consider authorizing awarding of bid and contract for 12 new current/model year vehicles to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year/model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the 12 new current year model vehicles is $208,360.
· Resolution authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120. The total approximate purchase amount for the twelve new current year/model vehicles is $208,360 recommended.
Finance; Tom Reddie, 577-5406; treddie@modestogov.com

ACTION: Res. No. 2004-185 (Marsh/Hawn; unan.) authorizing awarding of bid and contract to the following vendors: American Chevrolet for eight new current year/model vehicles in the approximate amount of $145,240, and to Maita Chevrolet for four new current year model vehicles in the approximate amount of $63,120.

HAWN ABSENT DUE TO CONFLICT OF INTEREST
27. Consider awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the construction of Fire Station No. 11, and authorizing the City Manager to execute the necessary documents.
· Resolution awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years recommended.
· Resolution adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account recommended.
Fire; David Grant, 572-9596, dgrant@modestofire.com

ACTION: Res. No. 2004-186 (Jackman/Dunbar; unan. Hawn absent due to conflict) awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents.

Res. No. 2004-187 (Jackman/Dunbar; unan. Hawn absent due to conflict) approving a loan of $238,495 from CIP account 1300-0180-N412 to CIP account 1320-0180-M174 for the project titled "Fire Station No. 11" and establish payback from future Fire Capital Facilities Fees amortized over the next five years.

Res. No. 2004-188 (Jackman/Dunbar; unan. Hawn absent due to conflict) adjusting the budget to appropriate $49,865 Fund 1410 (CFF Streets) to the Fire Station No. 11 account.

CONSENT
28. Consider authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.
· Resolution authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Res. No. 2004-189 (Jackman/O'Bryant; unan) authorizing the City Manager to apply for the National Assistance to Firefighter's grant and to execute the necessary grant application documents.

CONSENT
29. Consider an amendment to the Operating Policies and Procedures for AccessModesto Community Television; and Consider a one-year agreement with Quality Video for the continued cablecast of its daily program entitle "Central Valley Reports" which airs on AccessModesto's Public Channel.
· Resolution approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television recommended.
· Resolution approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Res. No. 2004-190 (Jackman/O'Bryant; unan) approving an amendment to the Operating Policies and Procedures for AccessModesto Community Television.

Res. No. 2004-191 (Jackman/O'Bryant; unan) approving a one-year agreement with Quality Video for the continued cablecast of its daily program entitled "Central Valley Reports" which airs on AccessModesto's Public Channel.

CONSENT
30. Consider accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement; and consider amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.
· Resolution accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement recommended.
· Resolution amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-192 (Jackman/O'Bryant; unan) accepting $300,000 in grant funding from the State of California Department of Housing and Community Development, CalHome Program Mortgage Assistance, and authorizing the City Manager or his designee to execute the grant agreement.

Res. No. 2004-193 (Jackman/O'Bryant; unan) amending the Fiscal Year 2004-2004 operating budget to estimate $300,000 in new revenue and appropriate $300,000 to 0410-320-3280-0497, the CalHome Mortgage Assistance Program for first-time homebuyers.

CONSENT

1. Consider allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.
· Resolution approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Res. No. 2004-194 (Jackman/O'Bryant; unan) approving allocation of $10,000 of Community Housing Development Organization (CHDO) set-aside funds from the HOME Investment Partnership Program to Habitat for Humanity, and authorize the City Manager to execute the necessary documents.

CONSENT
2. Consider amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor and amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.
· Resolution amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Res. No. 2004-195 (Jackman/O'Bryant; unan) amending the Position Classification Plan to create the classification of Community Services Supervisor and revise the classification of Customer Services Supervisor.

Res. No. 2004-196 (Jackman/O'Bryant; unan) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes.

CONSENT
33. Consider a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center; and Consider amending the current budget.
· Resolution approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
· Resolution amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center recommended.
Police; David Cooperider, 572-9678, cooperiderd@modestopd.com

ACTION: Res. No. 2004-197 (Jackman/O'Bryant; unan) approving a consultant services agreement with the Yosemite Community College District for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

Res. No. 2004-198 (Jackman/O'Bryant; unan) amending the 2004/2004 Budget, estimating revenues and expending funds for a Modesto Police Lieutenant to serve as Director of the Ray Simon Regional Criminal Justice Training Center.

COUNCIL COMMENTS & REPORTS

· Councilmember Hawn read a statement regarding his company's involvement with City of Modesto projects and his intent to remove his firm from any project with the

City to avoid future conflicts.

· Mayor Ridenour reported on the City/County Liaison Committee meeting held last week.

WRITTEN COMMUNICATIONS

34. Letter from Fred Sandow regarding waiver of Capital Facilities Fees for the Parent Resource Center Inc. installation of modular classroom-type structure located at 811 5th Street, Modesto.

ACTION: By Motion (O'Bryant/Hawn; unan.) deferred this item and the CFF policy to the Economic Development Committee.

Recess 7:30
Reconvene 7:45

HEARINGS

35. Hearing to consider the establishment of Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit; Consider determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2); Consider declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2); and Consider introduction of an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2).
· Resolution establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit recommended.
· Resolution determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
· Motion introducing an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Res. No. 2004-199 (Jackman/O'Bryant; unan.) establishing Community Facilities District No. 2004-1 (Village One #2), authorize the levy of special taxes therein and establishing an annual appropriations limit.

Res. No. 2004-200 (Jackman/O'Bryant; unan) determining it necessary to incur bonded indebtedness with City of Modesto Community Facilities District No. 2004-1 (Village One #2) and calling a special election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2).

Res. No. 2004-201 (Jackman/O'Bryant; unan) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2004-1 (Village One #2).

By Motion (Jackman/O'Bryant; unan) **introduced Ordinance No. 3345-C.S.** -an ordinance authorizing the levy of special taxes within the City of Modesto Community

Facilities District No. 2004-1 (Village One #2).

Resolution Number 2004-202 was not used.

This item was continued from February 24, 2004
Councilmember Hawn absent due to conflict of interest
36. Hearing to consider the application of Modesto City Schools to prezone approximately 1.9 acres located on the north side of Glenn Avenue and west of Gutherie Street to Low-Density Residential (R-1) to allow expansion of Bret Harte Elementary School.
· Resolution finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89 recommended.
· Introduction of an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1) recommended.
· Resolution approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Res. No. 2004-203 (Dunbar/Jackman; unan.Hawn absent due to conflict) finding that the prezoning to Low-Density Residential (R-1) is within the scope of the Master EIR of the General Plan as determined by the Initial Study, Environmental Assessment No. EA/C&ED 2004-89; approving the amendment to Section 8-4-9 of the Zoning Map to prezone approximately 1.9 acres to Low-Density Residential (R-1) zone; and annexing said property to the City of Modesto, Modesto Sewer District No. 1 and detaching from the Industrial Fire Protection District.

By Motion (Dunbar/Jackman; unan.Hawn absent due to conflict) **introduced Ordinance No. 3346-C.S.** - an ordinance approving the prezoning of approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street to Low-Density Residential (R-1).

Res. No. 2004-204 (Dunbar/Jackman; unan.Hawn absent due to conflict) approving the filing of an application to Stanislaus Local Agency Formation Commission to annex approximately 1.9 acres located on the North side of Glenn Avenue and West of Gutherie Street

37. Hearing to consider the application of Valley Associated Urology Medical Group for rezone from SP-O (Specific Plan Overlay Zone) to P-D (Planned Development Zone) to allow a 55,000-square-foot medical office complex and associated off-street parking, property located at the northeast corner of Coffee Road and Mable Avenue.
· An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565) recommended.
· A resolution approving a development plan for P-D(565) recommended.
· A resolution finding the proposed rezoning within the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration recommended.
Community & Economic Development; Brad Wall; 577-5282, bwall@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) **introduced Ordinance No. 3347-C.S.** - An ordinance rezoning the project site from Specific Plan Overlay, SP-O, to Planned Development Zone, P-D(565)

Res. No. 2004-205 (Jackman/Keating; unan) approving a development plan for P-D(565).

Res. No. 2004-206 (Jackman/Keating; unan) finding the proposed rezoning within

the scope of the previously certified North Beyer Park Specific Plan Mitigated Negative Declaration.

38. Consider removing the crosswalk located approximately 770 feet east of Bodem Street and the bus stop it serves and reroute Modesto Area Express (MAX) Route 24 to serve the Stanislaus County Health Services Agency. Total estimated cost: One-time cost of $70,000 (removal of crosswalk and relocating bus stop) Ongoing: $30,000 (annual cost of supplemental bus service)
· Resolution directing staff to:
1) Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2) Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3) Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4) Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5) Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6) Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7) Make the changes operational in January 2005.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-207 (Jackman/Marsh; unan.) directing staff to
1. Remove the mid-block crosswalk on Scenic Drive approximately 770 feet east of Bodem Street
2. Remove the bus stop on the north side of Scenic Drive immediately west of the crosswalk
3. Establish a new bus stop and construct a bus turnout on the north side of Scenic Drive immediately west of Bodem Street
4. Revise Modesto Area Express (MAX) Route 24 to provide service from the bus stop adjacent to the Health Services Agency on the south side of Scenic Drive to the Transportation Center.
5. Remove the existing bus stop on the north side of Scenic Drive immediately west of Melrose Street.
6. Authorize the use of three hours per day of supplemental bus service to transport students from the Elliot Education Center direct to the downtown Transportation Center.
7. Make the changes operational in January 2005

NEW BUSINESS

39. Update regarding the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.
· Motion to accept staff report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations recommended.
Personnel; Ben Bankard, 577-5446; bbankard@modestogov.com

ACTION: By Motion (Hawn/Dunbar; unan.) acknowledged receipt of report on the City's Workers' Compensation Claims Audit, performed by the State of California Department of Industrial Relations.

40. Consider approving short-range improvements to the Modesto Area Express (MAX) public transit system including new service to be implemented January 2005, and appropriating $324,000 to the upcoming FY04/05 operating budget to cover six months of operation of the new service.

· Resolution approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate recommended.
· Resolution committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service recommended.
Engineering & Transportation; Fred Cavanah, Transit Manager, 577-5295, fcavanah@modestogov.com

ACTION: Res. No. 2004-208 (Jackman/Keating; unan.) approving in concept new Modesto Area Express (MAX) routes to begin operating in January 2005 that would connect downtown Modesto with the Vintage Faire Mall and South Modesto and approving additional short-range improvements to the MAX system as follows: Expand service to Village One and Enochs High School in 2006; Extend service farther into Salida, including service to Gregori High School, in 2007; and Extend service to potential northeast Modesto shopping area when appropriate.

Res. No. 2004-209 (Jackman/Keating; unan.) committing $324,000 to the upcoming FY2004/05 Operating Budget to cover six months of operation of the new bus service.

41. Consider the establishment of a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.
· Motion directing staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings recommended.
Operations & Maintenance; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directed staff to begin the work of: establishing a single water zone, with rates allocated based on overall water system needs, and standardizing metered rates and methodologies, and standardization of lot sizes associated with flat-rate billings.

42. Consider a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.
· Resolution awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account recommended.
Finance; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Res. No. 2004-210 (Dunbar/Marsh; unan.) awarding a $100,000 professional services agreement with Harris & Associates for to assist City staff in conducting a Proposition 218 property owner ballot vote for the increase of water rates, and authorizing the City Manager to execute the necessary documents, and authorizing appropriation of funds from the Water Fund Reserves to the Budget and Financial Analysis operating account.

43. Consider approving the allocation of Community Development Block Grant (CDBG)

funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs; and consider authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.
· Resolution approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs recommended.
· Resolution authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310; caverell@modestogov.com

ACTION: Res. No. 2004-211 (Jackman/O'Bryant; unan.) approving the allocation of Community Development Block Grant (CDBG) funds of $308,100 for public services and $109,443 for services for the homeless, and Emergency Shelter Grant (ESG) funds of $61,831 for FY 2004-2005, and authorizing the City Manager or his designee to sign and execute the agreements to implement the approved programs.

Res. No. 2004-212 (Jackman/O'Bryant; unan.) authorizing staff to release a Request for Proposal (RFP) in May 2004, for a Winter Shelter for the remaining $43,884 of ESG funds.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

The meeting adjourned at 9:30 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.
CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association
Modesto Police Management Association

****

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Modesto City Employees Association (MCEA) v. City of Modesto before the Public Employment Relations Board (PERB)

****

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Purchase, sale or lease of property located on Rumble Road for Rumble Road Widening Project as follows:

Sheldon Grover - APN: 005-3707 (portion)
Matthew and Anne Long - APN: 005-3708 (portion)
Robert and Lynna Campana - APN: 005-3709 (portion)

Negotiating Parties: Ms. Jaime Guillen, Associated Right of Way Services, as Property Agent on behalf of the City of Modesto

Sheldon Grover, Matthew and Anne Long,
and Robert and Lynna Campana, Owners

Under Negotiation: Price and terms of payment for property to be acquired.

****

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: Jack Crist, City Manager
Robin Renwick, Personnel Director
Jim Miguel, Fire Chief
Employee Organization: Modesto City Fire Fighters Association

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-592

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO DECLARING THE OFFICIAL INTENT OF THE CITY TO BE REIMBURSED FOR CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS OF INDEBTEDNESS

(Village One Project)

WHEREAS, this City intends to acquire and construct certain capital facilities (collectively, the "Village One Project") authorized to be financed for its Community Facilities District No. 2004-1 (Village One #2) under proceedings being conducted pursuant to this Council's Resolution Nos. 2004-127 and -128, each adopted on March 2, 2004, and

WHEREAS, the City has paid, and will pay on or after the date hereof certain capital expenditures (the "Expenditures") in connection with the Village One Project prior to the issuance of one or more series of tax-exempt bonds or other forms of indebtedness (the "Indebtedness"), in the principal amount of not to exceed $75,000,000, for the purpose of financing the Village One Project, and

WHEREAS, the City reasonably expects that it will be reimbursed for the Expenditures from the proceeds of the Indebtedness, and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the City to declare its reasonable official intent to be reimbursed for prior capital expenditures made for the Village One Project with proceeds of the Indebtedness,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City declares its official intent to use proceeds of the Indebtedness to reimburse itself for Expenditures paid on or after the date which is no more than 60 days prior to the date hereof. This declaration is made solely for the

purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations, and does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Village One Project.

SECTION 3. The City will make a reimbursement allocation, which is a written allocation by the City that evidences the City's use of proceeds of the Indebtedness to reimburse itself for an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the facility with respect to which such Expenditure relates is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

SECTION 4. The City recognizes that exceptions are also available under the Treasury Regulations for certain "preliminary expenditures," costs of issuance, certain *de minimis* amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 9th day of November, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmember:	Hawn, Jackman, Keating, O'Bryant
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Dunbar, Marsh, Mayor Ridenour

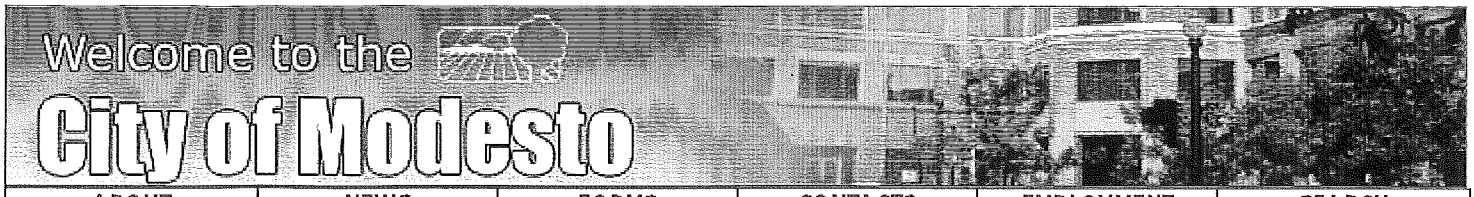
ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA



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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, November 9, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: Dunbar

Pledge of Allegiance to the Flag

Invocation: Pastor Michael Saldivar, La Loma Grace Brethren

City Clerk's Announcements: Item 20 requested to be continued to November 23, 2004

Declaration of Conflicts of Interest Item 7 - Ridenour and Marsh
Item 17 - Hawn

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction by Chief Wasden of newly promoted Police Department Management staff; Police Lieutenant Lucian Thomas, Police Lieutenant Michael Zahr, Police Sergeant Daniel Key.

ACTION: Introductions made by Chief Roy Wasden

2. Introduction by Chief Wasden of Paul Stein, the new director of the Stanislaus Regional 911 Emergency Dispatch Center.

ACTION: Introduction made by Chief Roy Wasden.

3. Recognition of Modesto's national honors from the National Association of Town Watch for placing first for participation in "National Night Out 2004" among cities with populations from 100,000 to 299,999.

ACTION: Presentation made by Chief Wasden and Rosie Fabela.

MISCELLANEOUS
Appointments

4. Consider appointing two Planning Commissioners: Mary Arias, and F. Tom Berglund.
· Resolution appointing two Planning Commissioners: Mary Arias, with a term ending January 1, 2007 and F. Tom Berglund, with a term beginning January 1, 2005 and ending January 1, 2009 recommended.
City Manager; George Britton, 577-5404, gbritton@modestogov.com

ACTION: Resolution 2004-591 (Jackman/Marsh; unan. Dunbar absent) appointing two Planning Commissioners: Mary Arias, with a term ending January 1, 2007 and F. Tom Berglund, with a term beginning January 1, 2005 and ending January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 18

ACTION Consent Items 5, 6, 8-16, 18: Jackman/O'Bryant; unan. Dunbar absent

ACTION Consent Item 7: Jackman/Hawn; Dunbar, Marsh and Ridenour absent

ACTION Consent Item 17: Keating/Jackman; Dunbar and Hawn absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the special City Council meeting of November 3, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) approved the minutes of November 3, 2004.

CONSENT
6. Consider updating various sections of the Modesto Municipal Code that have been affected by recent City departmental reorganizations.
· Motion introducing an ordinance amending Section 1-2.07 of Chapter 2 of Title 1 relating to penalty provisions (reorganization of departments) recommended.
· Motion introducing an ordinance adding Article 17 of Chapter 3 of Title 2 relating to Public Works Department and repealing Articles 10 and 12 of Chapter 3 of Title 2 relating to Operations and Maintenance Department and Engineering and Transportation Department (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 3-2.105, 3-2.204, 3-2.301, 3-2.304, 3-2.305, 3-2.306, 3-2.307, 3-2.308, 3-2.401, 3-2.402, 3-2.404, 3-2.501, 3-2.502, 3-2.601, 3-2.701, 3-2.808, 3-2.901, 3-2.1007, 3-2.1008, 3-2.1101, 3-2.1102, 3-2.1103, 3-2.1201, 3-2.1204, 3-2.1302, 3-2.1402, 3-2.1501, 3-2.1502, 3-2.1503, 3-2.1504, 3-2.1607, 3-2.1701 and 3-2.1911 of Chapter 2 of Title 3 relating to traffic

regulations (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 4-2.09 and 4-2.30 of Chapter 2 of Title 4 relating to misdemeanors; Sections 4-3.01, 4-3.02, 4-3.04, 4-3.06, 4-3.07.2, 4-3.09, 4-3.10, 4-3.11, 4-3.12, 4-3.13, 4-3.14, 4-3.19, 4-3.20, and 4-3.21 of Chapter 3 of Title 4 relating to moving of buildings; Sections 4-4.401, 4-4.404, 4-4.503, 4-4.509, 4-4.510, 4-4.511, 4-4.513, 4-4.515, 4-4.516, 4-4.517, 4-4.518, 4-4.601, 4-4.602, 4-4.603, 4-4.604, 4-4.605, 4-4.801, 4-4.802, 4-4.802.1 and 4-4.804 of Chapter 4 of Title 4 relating to subdivision of land; Sections 4-503, 4-5.05 and 4-5.06 of Chapter 5 of Title 4 relating to regulation of streets and sidewalks; Section 4-6.101, 4-6.201, 4-6.202, 4-6.203, 4-6.204, 4-6.206, 4-6.207, 4-6.208, 4-6.209, 4-6.210, 4-6.301, 4-6.303, 4-6.306, 4-6.402, 4-6.501, 4-6.502, 4-6.503, 4-6.504, 4-6.801, and 4-6.901 of Chapter 6 of Title 4 relating to taxicabs; Sections 4-7.1103 and 4-7.1106 of Article 11 of Chapter 7 of Title 4 relating to collection of pruned refuse; Section 4-8.10 of Chapter 8 of Title 4 relating to regulation of parades; and Sections 4-15-103, 4-15.104, 4-15.105, 4-15.106, 4-15.203, 4-15.301, 4-15.302, and 4-15.401 of Chapter 15 of Title 4 relating to outdoor dining in the public rights-of-way permitted (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 5-1.102, 5-1.503, 5-1.504, 5-1.505, 5-1.506, 5-1.510, 5-1.511, 5-1.512, 5-1.513, 5-1.514, 5-1.515, 5-1.516, and 5-1.518 of Chapter 1 of Title 5 relating to general sanitation; Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38, and 5-5.41 of Chapter 5 of Title 5 relating to solid waste; and Sections 5-6.103, 5-6.309, 5-6.701, and 5-6.805 of Chapter 6 of Title 5 relating to sewage collection and disposal (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 7-1.102, 7-1.104, 7-1.105, 7-1.106, 7-1.108, 7-1.110, 7-1.201, 7-1.301, 7-1.304, 7-1.401, 7-1.404, 7-1.502, 7-1.503, and 7-1.701 of Chapter 1 of Title 7 relating to street improvements; Section 7-2.02 of Chapter 2 of Title 7 relating to street cuts; Sections 7-3.103 and 7-3.202.1 of Chapter 3 of Title 7 relating to Modesto City-County Airport; and Sections 7-5.01, 7-5.02, 7-5.03, 7-5.04, 7-5.05, 7-5.06, 7-5.08, and 7-5.10 of Chapter 5 of Title 7 relating to street trees (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 10-2.2006 and 10-2.2009 of Article 20 of Chapter 2 of Title 10 relating to off-street parking requirements; and Section 10-2.2314 of Article 23 of Chapter 2 of Title 10 relating to general provisions (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 11-1.01, 11-1.04, 11-1.05, 11-1.06, 11-1.08, 11-1.14, 11-1.15 and 11-1.16 of Chapter 1 of Title 11 relating to water rates and regulations; Section 11-4.27 of Chapter 4 of Title 11 relating to procedure for granting cable communication system franchises; Sections 11-5.05, 11-5.07 and 11-5.11 of Chapter 5 of Title 11 relating to regulations and procedures for the removal of overhead utility facilities and the installation of underground utility districts; and Sections 11-6.05, 11-6.06, 11-6.08, 11-6.10, 11-6.11, and 11-6.13 of Chapter 6 of Title 11 relating to collections of public utilities charges (reorganization of departments) recommended.
· Motion introducing an ordinance amending Section 12-1.03 of Chapter 1 of Title 12 relating to landscaping and irrigation standards; and Sections 12-4.203 and 12-4.204 of Article 2 of Chapter 4 of Title 12 relating to use of park and recreation areas and facilities (reorganization of departments) recommended.
City Attorney, Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3361** amending Section 1-2.07 of Chapter 2 of Title 1 relating to penalty provisions (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3362** adding Article 17 of Chapter 3 of Title 2 relating to Public Works Department and repealing Articles 10 and 12 of Chapter 3 of Title 2 relating to Operations and Maintenance Department and Engineering and Transportation Department (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3363** amending Sections 3-2.105, 3-2.204, 3-2.301, 3-2.304, 3-

2.305, 3-2.306, 3-2.307, 3-2.308, 3-2.401, 3-2.402, 3-2.404, 3-2.501, 3-2.502, 3-2.601, 3-2.701, 3-2.808, 3-2.901, 3-2.1007, 3-2.1008, 3-2.1101, 3-2.1102, 3-2.1103, 3-2.1201, 3-2.1204, 3-2.1302, 3-2.1402, 3-2.1501, 3-2.1502, 3-2.1503, 3-2.1504, 3-2.1607, 3-2.1701 and 3-2.1911 of Chapter 2 of Title 3 relating to traffic regulations (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3364** amending Sections 4-2.09 and 4-2.30 of Chapter 2 of Title 4 relating to misdemeanors; Sections 4-3.01, 4-3.02, 4-3.04, 4-3.06, 4-3.07.2, 4-3.09, 4-3.10, 4-3.11, 4-3.12, 4-3.13, 4-3.14, 4-3.19, 4-3.20, and 4-3.21 of Chapter 3 of Title 4 relating to moving of buildings; Sections 4-4.401, 4-4.404, 4-4.503, 4-4.509, 4-4.510, 4-4.511, 4-4.513, 4-4.515, 4-4.516, 4-4.517, 4-4.518, 4-4.601, 4-4.602, 4-4.603, 4-4.604, 4-4.605, 4-4.801, 4-4.802, 4-4.802.1 and 4-4.804 of Chapter 4 of Title 4 relating to subdivision of land; Sections 4-503, 4-5.05 and 4-5.06 of Chapter 5 of Title 4 relating to regulation of streets and sidewalks; Section 4-6.101, 4-6.201, 4-6.202, 4-6.203, 4-6.204, 4-6.206, 4-6.207, 4-6.208, 4-6.209, 4-6.210, 4-6.301, 4-6.303, 4-6.306, 4-6.402, 4-6.501, 4-6.502, 4-6.503, 4-6.504, 4-6.801, and 4-6.901 of Chapter 6 of Title 4 relating to taxicabs; Sections 4-7.1103 and 4-7.1106 of Article 11 of Chapter 7 of Title 4 relating to collection of pruned refuse; Section 4-8.10 of Chapter 8 of Title 4 relating to regulation of parades; and Sections 4-15-103, 4-15.104, 4-15.105, 4-15.106, 4-15.203, 4-15.301, 4-15.302, and 4-15.401 of Chapter 15 of Title 4 relating to outdoor dining in the public rights-of-way permitted (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3365** amending Sections 5-1.102, 5-1.503, 5-1.504, 5-1.505, 5-1.506, 5-1.510, 5-1.511, 5-1.512, 5-1.513, 5-1.514, 5-1.515, 5-1.516, and 5-1.518 of Chapter 1 of Title 5 relating to general sanitation; Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38, and 5-5.41 of Chapter 5 of Title 5 relating to solid waste; and Sections 5-6.103, 5-6.309, 5-6.701, and 5-6.805 of Chapter 6 of Title 5 relating to sewage collection and disposal (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3366** amending Sections 7-1.102, 7-1.104, 7-1.105, 7-1.106, 7-1.108, 7-1.110, 7-1.201, 7-1.301, 7-1.304, 7-1.401, 7-1.404, 7-1.502, 7-1.503, and 7-1.701 of Chapter 1 of Title 7 relating to street improvements; Section 7-2.02 of Chapter 2 of Title 7 relating to street cuts; Sections 7-3.103 and 7-3.202.1 of Chapter 3 of Title 7 relating to Modesto City-County Airport; and Sections 7-5.01, 7-5.02, 7-5.03, 7-5.04, 7-5.05, 7-5.06, 7-5.08, and 7-5.10 of Chapter 5 of Title 7 relating to street trees (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3367** amending Sections 10-2.2006 and 10-2.2009 of Article 20 of Chapter 2 of Title 10 relating to off-street parking requirements; and Section 10-2.2314 of Article 23 of Chapter 2 of Title 10 relating to general provisions (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3368** amending Sections 11-1.01, 11-1.04, 11-1.05, 11-1.06, 11-1.08, 11-1.14, 11-1.15 and 11-1.16 of Chapter 1 of Title 11 relating to water rates and regulations; Section 11-4.27 of Chapter 4 of Title 11 relating to procedure for granting cable communication system franchises; Sections 11-5.05, 11-5.07 and 11-5.11 of Chapter 5 of Title 11 relating to regulations and procedures for the removal of overhead utility facilities and the installation of underground utility districts; and Sections 11-6.05, 11-6.06, 11-6.08, 11-6.10, 11-6.11, and 11-6.13 of Chapter 6 of Title 11 relating to collections of public utilities charges (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3369** amending Section 12-1.03 of Chapter 1 of Title 12 relating to landscaping and irrigation standards; and Sections 12-4.203 and 12-4.204 of Article

2 of Chapter 4 of Title 12 relating to use of park and recreation areas and facilities (reorganization of departments)

Ridenour & Marsh absent due to Conflict of Interest
7. Consider declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2).
· Resolution declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-592 (Jackman/O'Bryant; unan; Dunbar, Marsh and Ridenour, absent) declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2)

CONSENT
8. Consider an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents.
· Resolution approving an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents recommended.
City Manager; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2004-593 (Jackman/O'Bryant; unan. Dunbar absent) approving an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents

CONSENT
9. Consider the Monthly Investment Report - September 2004.
· Motion acknowledging receipt of report.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) acknowledging receipt of report.

CONSENT
10. Consider authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625.
· Resolution authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-594 (Jackman/O'Bryant; unan. Dunbar absent) authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625

CONSENT
11. Consider a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park.
· Resolution approving a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-595 (Jackman/O'Bryant; unan. Dunbar absent) approving a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park

CONSENT
12. Consider the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season, authorizing the Acting City Manager to execute the necessary documents to implement the approved program; Consider $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families, authorizing the Acting City Manager to execute the necessary documents to implement the approved program; and Consider $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless.
· Resolution approving the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season, authorizing the Acting City Manager to execute the necessary documents to implement the approved program recommended.
· Resolution approving $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families, authorizing the Acting City Manager to execute the necessary documents to implement the approved program recommended.
· Resolution approving $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-596 (Jackman/O'Bryant; unan. Dunbar absent) approving the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season; approving $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families; approving $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless; and authorizing the Acting City Manager to execute the necessary documents to implement the approved programs.

ACTION: Resolution 2004-597 was not used

ACTION: Resolution 2004-598 was not used

CONSENT
13. Consider a grant application for up to $940,000 to the Transportation Enhancement Activities Fund administered by StanCOG for the development of Phase

III of the Virginia Corridor.
· Resolution approving a grant application for up to $940,000 to the Transportation Activities Fund, which is a funding project through the Federal Transportation Equity Act for the 21st Century (TEA-21), for the development of Phase III of the Virginia Corridor project, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2004-599 (Jackman/O'Bryant; unan. Dunbar absent) approving a grant application for up to $940,000 to the Transportation Activities Fund, which is a funding project through the Federal Transportation Equity Act for the 21st Century (TEA-21), for the development of Phase III of the Virginia Corridor project, and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
14. Consider a two-year lease agreement with Tom and Stacey Anne Saurey for lease of property located at the southwest corner of North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorize the Acting City Manager to execute the necessary documents.
· Resolution approving a two-year lease agreement with Tom and Stacey Anne Saurey for use of property located at North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-600 (Jackman/O'Bryant; unan. Dunbar absent) approving a two-year lease agreement with Tom and Stacey Anne Saurey for use of property located at North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorizing the Acting City Manager to execute the necessary documents

CONSENT
15. Consider an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents.
· Resolution approving an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents recommended.
Public Works; Peter Cowles, 577-5205, pcowles@modestogov.com

ACTION: Resolution 2004-601 (Jackman/O'Bryant; unan. Dunbar absent) approving an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents

CONSENT
16. Consider increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5% ($88,306.50) of the original contract price with Goodland Landscape Company Inc.
· Resolution authorizing increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5%

($88,306.50) of the original contract price with Goodland Landscape Company Inc. recommended.
Public Works; Pamela Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-602 (Jackman/O'Bryant; unan. Dunbar absent) authorizing increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5% ($88,306.50) of the original contract price with Goodland Landscape Company Inc.

Hawn absent due to Conflict of Interest.
17. Consider increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000.
· Resolution authorizing increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000 recommended.
Public Works; Pamela Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-603 (Jackman/O'Bryant; unan; Dunbar & Hawn, absent) authorizing increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000

CONSENT
18. Consider accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Ridge Sutter, a married man as his sole and separate property.
· Resolution accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-604 (Jackman/O'Bryant; unan. Dunbar absent) accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

This item was continued from October 12, 2004 and October 26, 2004
19. Hearing to consider the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime.
· Resolution approving the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime recommended.
Police; Judy Tognolini, 572-9523, tognoliniji@modestopd.com

ACTION: Resolution 2004-605 (O'Bryant/Keating; unan. Dunbar absent) approving the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime.

ACTION: Resolution 2004-605A (O'Bryant/Keating; unan. Dunbar absent) amending the FY04-05 Budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant.

It has been requested to continue the following item to November 23, 2004
20. Hearing to consider approval of Amendment #1 to the Village One Facilities Master Plan Update and environmental findings.

ACTION: By motion (Hawn/Jackman; unan. Dunbar absent)This item was continued to November 23, 2004.

21. Hearing to consider a request from Habitat for Humanity, Stanislaus, for a refund of Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, within the City limits.
· Resolution approving a refund to Habitat for Humanity, Stanislaus for $11,457 paid for Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-606 (Marsh/Jackman; unan. Dunbar absent) approving a refund to Habitat for Humanity, Stanislaus for $11,457 paid for Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, and authorizing the Acting City Manager to execute the necessary documents.

22. Hearing to consider a Waste Management Performance Review Report regarding Modesto Disposal Service.
· Resolution accepting the Waste Management Performance Review Report regarding Modesto Disposal Service for period of December 2003 through September 30, 2004 and authorizing the Acting City Manager to execute a one-year extension of the Interim Service Agreement recommended.
Public Works; Jocelyn Reed, 577-5494, jreed@modestogov.com

ACTION: Resolution 2004-607 (Jackman/Keating; unan. Dunbar absent) accepting the Waste Management Performance Review Report regarding Modesto Disposal Service for period of December 2003 through September 30, 2004 and authorizing the Acting City Manager to execute a one-year extension of the Interim Service Agreement

NEW BUSINESS

23. Consider a report on the Dry Creek Sanitary Sewer Overflow incident.
· Motion acknowledging the receipt of a report on the Dry Creek Sanitary Sewer Overflow incident recommended.
Public Works; Peter Cowles, 577-5205, pcowles@modestogov.com

ACTION: By Motion (Jackman/Keating; unan. Dunbar absent) acknowledging the receipt of a report on the Dry Creek Sanitary Sewer Overflow incident.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 6:50 p.m.

CLOSED SESSION

Both closed sessions heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Two Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: The Committee Concerning Community Improvements, et al. v. City of Modesto, et al.
United States District Court, Eastern District of California Case No. CIV-F-04-6121 REC DLB

Name of case: Enrique Sanchez, et al. v. City of Modesto, et al.
Stanislaus County Superior Court No., 347903

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Janice Stewart, Assistant Personnel Director
Jana Coons, Administrative Services Officer

Employee Organization: Modesto City Employees Association

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-681

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CLARIFYING RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

WHEREAS, this Council has, pursuant to its Resolution No. 2004-127, "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein," adopted on March 2, 2004, conducted proceedings for the formation of the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") pursuant to Chapter 3.5 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, following the approval of the special taxes by the qualified electors in the District, this Council, by its Ordinance No. 3345-C.S., "An Ordinance of the City Council of the City of Modesto Authorizing the Levy of Special Taxes within City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted on April 27, 2004, authorized the levy of the special taxes; the special taxes are set forth in Exhibit A to Ordinance No. 3345-C.S. (the "Rate and Method"); and

WHEREAS, the obligation to pay the special taxes has, pursuant to the Act, become a lien upon all nonexempt real property within the District as a result of the recordation, in the office of the Stanislaus County Recorder, of a Notice of Special Tax Lien to which the Rate and Method is also attached as Exhibit A; and

WHEREAS, Section C.1 of the Rate and Method provides that, until an Original Parcel is subdivided, the Maximum Special Taxes as set forth therein will be the Maximum Special Taxes for the Parcel and that, in the event a rezoning of the Parcel results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel (capitalized terms used herein being defined in Exhibit A); "Expected Land Uses," as defined in Exhibit A, means the "Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map," also therein defined, such map (entitled "Village One Zoning of Unvested Properties," dated February 21, 2003) having been filed with the District Administrator and the City Clerk as a part of the District proceedings; and

WHEREAS, a question has arisen as to whether an exception should be made from the levy of the Maximum Special Taxes on an Original Parcel based on the Expected Land Use Map in the event a rezoning of the Parcel, that results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, occurs prior to the Parcel becoming a part of the District; and

WHEREAS, Section I of the Rate and Method allows for interpretations thereof to be made by resolution of this Council for the purpose of clarifying any vagueness or ambiguity therein; and

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND, by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Maximum Special Taxes, as set forth in the Rate and Method, were based on the estimate of the costs of the facilities and services authorized to be financed by the Maximum Special Taxes; and those costs were developed based upon the Expected Land Uses set forth on the Expected Land Use Map. The facilities are those which this Council determined are necessary to meet increased demands placed upon the City and other local agencies as a result of development occurring within the boundaries of the District; the services are those which this Council determined are in addition to those services provided in the District before it was created and that are necessary to meet the demands placed upon the City and other local agencies as a result of such development.

SECTION 3. To allow for a reduction in the Maximum Special Taxes on an Original Parcel as a result of a rezoning, regardless whether the rezoning occurs before or after the Parcel becomes a part of the District, could result in a reduction in the amount of revenue raised therefrom, and a shortfall in the generation of monies needed to pay for the facilities and services.

SECTION 4. It is in the public interest, and in the best interests of the landowners and other interested parties in the District, to preserve the special tax revenue stream in the manner contemplated in the Rate and Method in order to pay for the cost of the facilities and services authorized to be financed by the levy thereof for the District.

SECTION 5. The Rate and Method provides that, in the event a rezoning of an Original Parcel results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel, and that Expected Land Uses are the Net Taxable Acreage of each Land Use Class expected on an Original Parcel based on reference to the Expected Land Use Map on file with the District Administrator and City Clerk. An exception shall not be made from the application of this provision in the event the rezoning occurs prior to the Original Parcel becoming a part of the District.

SECTION 6. The City Clerk is directed to provide an executed copy of this Resolution to the District Administrator.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of December 2004, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Jackman, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 1/7/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, December 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Ross Briles, Sherwood Bible Church

City Clerk's Announcements: Items 12 & 16 removed from the Agenda
Items 8, 11, 13, 14, 23, & 28 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Desirree Abshire, Great Valley Center Fellows Program, by James E. Niskanen, Director of the Parks, Recreation and Neighborhoods Department.

ACTION: Introduction made by Jim Niskanen, Parks, Recreation & Neighborhoods

2. Introduction of Jeff Barnes, the new Traffic Engineer for the City of Modesto, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

3. Introduction of Lee Dumas, Senior Civil Engineer, the City's project manager for the Kaiser Project, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

MISCELLANEOUS

Appointments

4. Consider appointing Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009.
· Resolution approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-654 (Dunbar/Jackman; unan.) approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 28

ACTION Consent Items 5- 8, 10, 15, 17-22, 24-27: Jackman/Dunbar; unan.

ACTION Item 8: Jackman/Keating; unan.

ACTION Item 11: Dunbar/Jackman; unan.

ACTION Item 13: Marsh/Dunbar; majority, Keating no

ACTION Item 14: Hawn/Jackman; majority Keating and O'Bryant no

ACTION Item 23: Jackman/Hawn; unan.

ACTION Item 28: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the regular City Council meeting of December 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar, unan.) approved the minutes of December 7, 2004.

CONSENT
6. Consider final adoption of:

a. Ordinance No. 3371-C.S. - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3371-C.S.** - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.

b. Ordinance No. 3372-C.S. - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3372-C.S.** - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)

c. Ordinance No. 3373-C.S. - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3373-C.S.** - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)

d. Ordinance No. 3374-C.S. - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3374-C.S.** - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)

e. Ordinance No. 3375-C.S. - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3375-C.S.** - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)

CONSENT
7. Consider accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004.
· Resolution accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-655 (Jackman/Dunbar; una.) accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December

14, 2004.

Removed from Consent
8. Consider the Monthly Budget Adjustment Report.
· Resolution approving Fiscal Year 2004 budget adjustments for December 2004 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2004-656 (Jackman/Keating; unan.) approving Fiscal Year 2004 budget adjustments for December 2004.

CONSENT
9. Consider extending the City's support for the Public Access Channel, at a cost of $8,000, through April 30, 2005.
· Resolution approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000 recommended.
Information Technology; Lori Palacio, 571-5598, lpalacio@modestogov.com

ACTION: Resolution 2004-657 (Jackman/Dunbar; unan.) approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000

CONSENT
10. Consider a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.
· Resolution approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-658 (Jackman/Dunbar; unan) approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.

Removed from Consent
11. Consider the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.
· Resolution accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-659 (Dunbar/Jackman; unan.) accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.

Removed from the Agenda
12. Consider a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Removed from the agenda.

Removed from Consent
13. Consider funding for additional Police service in downtown Modesto.
· Resolution amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Resolution 2004-660 (Marsh/Dunbar; majority, Keating no) amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds.

Removed from Consent
14. Consider amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director; Consider amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.
· Resolution amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director recommended.
· Resolution amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-661 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director.

ACTION: Resolution 2004-662 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.

CONSENT
15. Consider approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 from the State Board of Corrections to fund the program, and authorizing the Acting City Manager to execute the necessary documents; and Consider amending the 2004/2005 budget to accept the revenue and expend the funds.
· Resolution approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to fund the City's match recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Resolution 2004-663 (Jackman/Dunbar; unan.) approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-664 (Jackman/Dunbar; unan.) amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to

fund the City's match.

Removed from the Agenda
16. Consider a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Removed from the agenda

CONSENT
17. Consider the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction). Estimated cost is approximately $750 per intersection for a total of $3,000. Funds are budgeted.
· Resolution approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction) recommended.
Public Works; Jeff Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2004-665 (Jackman/Dunbar; unan.) approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction).

CONSENT
18. Consider authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.
· Resolution authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities recommended.
Public Works, Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-666 (Jackman/Dunbar; unan.) authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.

CONSENT
19. Consider accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract. Total project cost is $326,803.
· Resolution accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract recommended.

Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-667 (Jackman/Dunbar; unan.) accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract.

CONSENT
20. Consider accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract. Total project cost is $872,240.27.
· Resolution accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract recommended.
Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-668 (Jackman/Dunbar; unan.) accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract.

CONSENT
21. Consider authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.
· Resolution authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59 recommended.
Public Works; Beverly McCullough, 577-5495, bmccullough@modestogov.com

ACTION: Resolution 2004-669 (Jackman/Dunbar; unan.) authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.

CONSENT
22. Consider rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.
§ Resolution rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-670 (Jackman/Dunbar; unan.) rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.

Removed from Consent
23. Consider awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the necessary documents.
§ Resolution awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-671 (Jackman/Hawn; unan.) awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.

CONSENT
24. Consider accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents. Total estimated cost of the project is $104,337.12.
· Resolution accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-672 (Jackman/Dunbar; unan.) accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
25. Consider accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract. Total estimated cost including construction contingency and administration, and engineering design is $242,916.
· Resolution accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-673 (Jackman/Dunbar; unan.) accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract.

CONSENT
26. Consider approval of final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Mesilla Valley Development LLC.
· Resolution approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal

Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-674 (Jackman/Dunbar; unan.) approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
27. Consider limited revisions to the 2001 City of Modesto Standard Specifications.
· Resolution approving limited revisions to the 2001 City of Modesto Standard Specifications recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-675 (Jackman/Dunbar; unan.) approving limited revisions to the 2001 City of Modesto Standard Specifications.

Removed from Consent
28. Consider approving Amendment No. 1 to the agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents; and Consider authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.
· Resolution approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents recommended
· Resolution authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2004-676 (Jackman/Hawn; unan.) approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-677 (Jackman/Hawn; unan.) authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

29. Hearing to consider the Annual Capital Facility Fees (CFF) Program Review; and Consider rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

· Motion acknowledging the receipt of the Annual Capital Facility Fees Program Review recommended.
· Resolution rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Keating; unan.) acknowledged receipt of the Annual Capital Facility Fees Program Review.

ACTION: Resolution 2004-678 (Dunbar/Keating; unan.) rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

The following item was continued from December 7, 2004
30. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-679 (Hawn/Keating; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5).

ACTION: Resolution 2004-680 (Hawn/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

31. Hearing to consider clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2); Consider Amendment #2 to the Village One Facilities Master Plan; and Consider creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.
· Resolution clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution approving Amendment #2 to the Village One Facilities Master Plan recommended.
· Resolution creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-681 (Hawn/Jackman; unan.) clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2).

ACTION: Resolution 2004-682 (Hawn/Jackman; unan.) approving Amendment #2 to the Village One Facilities Master Plan.

ACTION: Resolution 2004-683 (Hawn/Jackman; unan.) creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.

32. Hearing to consider a prezone to P-PD (Planned Development) for a 20-acre parcel designated Industrial and a request to file an application with the Stanislaus Local Agency Formation Commission (LAFCO) to annex the subject property to the

City of Modesto, the Modesto Sewer District No. 1, and detach from the Industrial Fire Protection District, and approval of an Initial Study and Finding of Conformance for the proposed project - submitted by Eagle Valley Investments Inc.
· Motion introducing an ordinance amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District recommended.
· Resolution finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041) recommended.
Community & Economic Development; Cindy van Empel, 577-5280, cvanempel@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introducing Ordinance No. 3376-C.S.** amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road

ACTION: Resolution 2004-684 (Jackman/Dunbar; unan.) approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road.

ACTION: Resolution 2004-685 (Jackman/Dunbar; unan.) a Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District.

ACTION: Resolution 2004-686 (Jackman/Dunbar; unan.) finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041).

33. Hearing to consider an amendment to the Annual Action Plan for 2004-2005, reallocating Community Development Block Grant (CDBG) funds.
· Resolution approving the proposed amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-687 (O'Bryant/Hawn; unan.) approving the proposed

amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-688 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-689 (O'Bryant/Hawn; unan.) amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-690 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year.

NEW BUSINESS

34. Consider authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000 recommended.
· Resolution directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement recommended.
Parks, Recreation & Neighborhoods; Duane Frederick, 342-2275, dfrederick@modestogov.com

ACTION: Resolution 2004-691 (O'Bryant/Dunbar; unan.) authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000.

ACTION: Resolution 2004-692 (O'Bryant/Dunbar; unan.) directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:55 p.m.

All closed sessions heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR:

(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Four Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of cases: Steve Duden v. City of Modesto Police Department
Worker's Compensation Appeals Board Case Nos. STK 169317, STK 169318, STK 172988 and STK 180974

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

Facts and Circumstances: One former City employee has alleged that the City unlawfully discriminated and/or retaliated against her.

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-683

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CREATING TAX ZONE #2 IN COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), APPROVING AN INCREASE IN THE ONE-TIME FACILITIES SPECIAL TAX THEREIN, AND APPROVING UPDATES OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE DISTRICT

WHEREAS, this Council has, pursuant to its Resolution No. 2004-127, "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein," adopted on March 2, 2004, conducted proceedings for the formation of the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") pursuant to Chapter 3.5 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, following the approval of the special taxes by the qualified electors in the District, this Council, by its Ordinance No. 3345-C.S., "An Ordinance of the City Council of the City of Modesto Authorizing the Levy of Special Taxes within City of Modesto Community Facilities District No. 2004-1 (Village One #2)," adopted on April 27, 2004, authorized the levy of the special taxes; the special taxes being set forth in **Exhibit A** thereto (the "Rate and Method"); and

WHEREAS, the obligation to pay the special taxes has, pursuant to the Act, become a lien upon all nonexempt real property within the District as a result of the recordation, in the office of the Stanislaus County Recorder, of a Notice of Special Tax Lien to which the Rate and Method is attached as **Exhibit A**; and

WHEREAS, all parcels in the District upon its formation, as well as those parcels subsequently annexed into the District, being Annexation Nos. 1 through 5, have been assigned to Tax Zone #1, being the only Tax Zone currently in the District; and

WHEREAS, the Rate and Method, in Section C thereof and in the definition of "Tax Zone", provides that additional Tax Zones may be created when property is annexed to the District; and

WHEREAS, additional annexations to the District are contemplated; and

WHEREAS, staff has provided its report to this Council that the "One-Time Facilities Special Tax", as defined in the Rate and Method, needs to be increased due to an increase in the cost of the facilities to be financed by the One-Time Facilities Special Tax, such increase to be applicable to parcels annexed into the District subsequent to Annexation No. 5; and

WHEREAS, The One-Time Facilities Special Tax is not a special tax to pay for bond financed facilities; and

WHEREAS, this Council, having considered the staff report, wants to revise the "One-Time Facilities Special Tax" consistent with the report, and, in order to do so, wants to create within the District a Tax Zone #2 in which the increased One-Time Facilities Special Tax would be authorized to be levied; and

WHEREAS, the Rate and Method provides for the updating of Table 1 therein and Attachments 1 and 2 thereto to reflect annexations to the District, and staff has recommended that the Rate and Method be updated to reflect the parcels annexed to the District pursuant to Annexation Nos. 1 through 5; and

WHEREAS, staff has also submitted to this Council a revised Rate and Method, a copy of which is attached as Exhibit A hereto, in which the actions herein ordered have been incorporated; and

WHEREAS, the actions herein ordered will not increase the One-Time Facilities Special Tax on any parcels within the existing District, including those parcels annexed as a part of Annexation Nos. 1 through 5,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND, by the City Council of the City of Modesto, that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. It is in the public interest, and in the best interests of the landowners and other interested parties in the District, to preserve the special tax revenue stream in a manner which will enable this City to pay for the cost of the facilities and services authorized to be financed by the levy of the special taxes in the District. The facilities are those which this Council has determined are necessary to meet increased demands placed upon the City and other local agencies as a result of development occurring within the boundaries of the District; the services are those which this Council has determined are in addition to those services provided in the District before it was created and that are necessary to meet the demands placed upon the City and other local agencies as a result of such development.

SECTION 3. There is created a Tax Zone #2 within the District, in which the special taxes heretofore authorized to be levied within the District shall be levied, except that the One-Time Facilities Special Tax is authorized to be levied at the increased rate as set forth in Exhibit A;

SECTION 4. The revised Rate and Method, set forth in **Exhibit A**, in which Tax Zone #2 is created and for which the "One-Time Facilities Special Tax" is increased, is approved.

SECTION 5. The updates to Table 1 and Attachments 1 and 2 of the Rate and Method, to reflect the parcels annexed to the District pursuant to Annexation Nos. 1 through 5, have been made in accordance with the Rate and Method, and are approved.

SECTION 6. Any subsequent proceedings for the annexation of a parcel into the District shall incorporate the revisions to the Rate and Method hereby ordered and approved, and the Amendment to the Notice of Special Tax Lien, recorded pursuant to Section 3117.5 of the California Streets and Highways Code in connection with the annexation, shall identify the Tax Zone to which the Parcel has been assigned.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of December 2004, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Jackman, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: _____
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 1/7/05

_____
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPENDIX B

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an

Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated

Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of

Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.

1. Original Parcels

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of adoption of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in

Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **Successor Parcels**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use

Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. **Annual Facilities Special Tax**

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. **Annual Maintenance Special Tax**

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. **One-Time Facilities Special Tax**

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. **Annual Facilities Special Tax**

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's

Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public

improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance Requirement"*).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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"*).

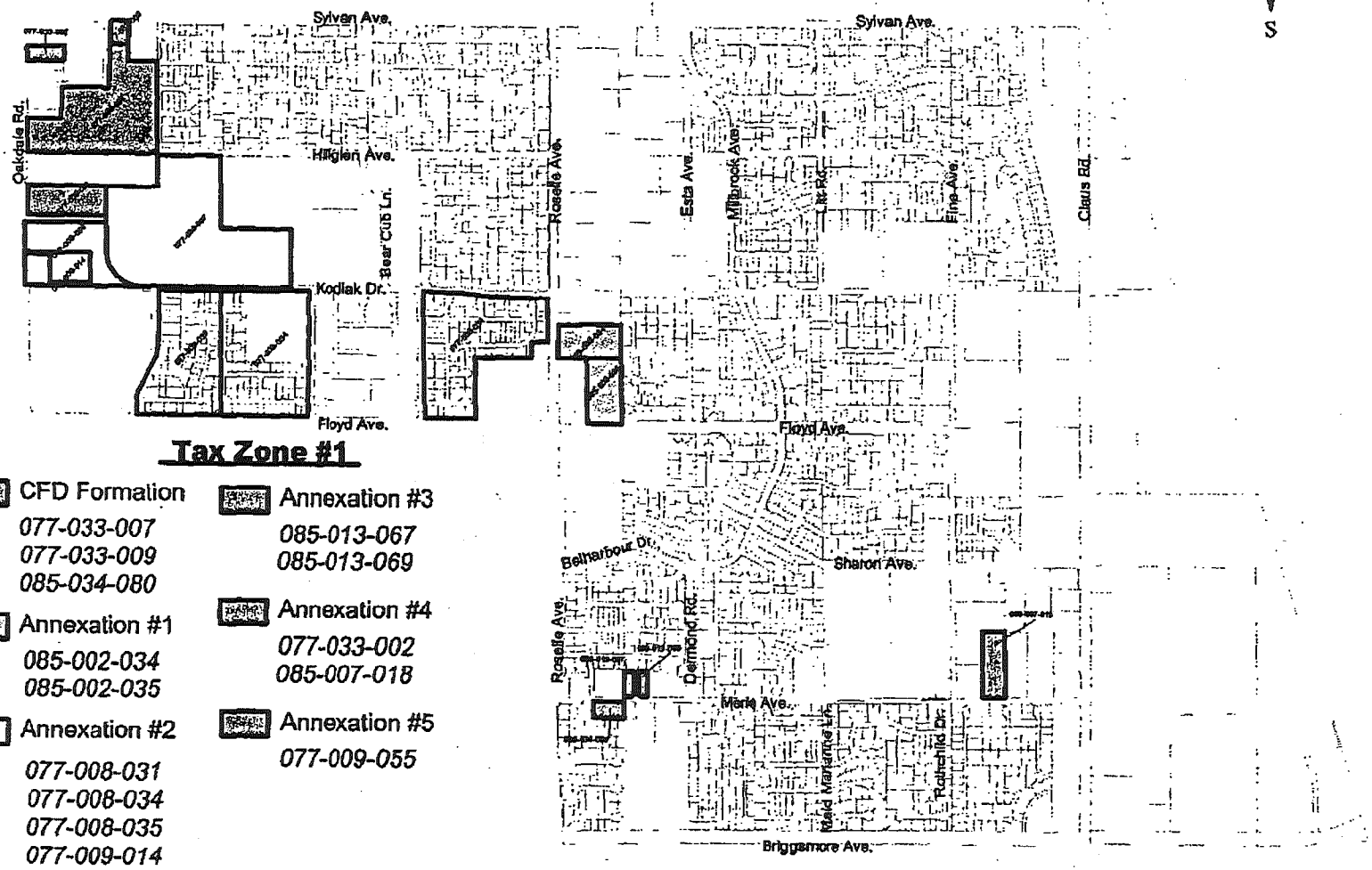
Step 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"Prepayment Amount"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1
City of Modesto
Community Facilities District No. 2004-1
(Village One #2)
IDENTIFICATION OF TAX ZONES



Tax Zone #1

CFD Formation
077-033-007
077-033-009
085-034-080

Annexation #1
085-002-034
085-002-035

Annexation #2
077-008-031
077-008-034
077-008-035
077-009-014
077-009-056
077-009-057

Annexation #3
085-013-067
085-013-069

Annexation #4
077-033-002
085-007-018

Annexation #5
077-009-055

Updated by VMD 1

ATTACHMENT 2

Last Updated: 11/4/04

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential	16.23	$491,461	$103,953	$20,012
			Commercial	3.24	$168,810	$11,567	$2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1.00	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,013	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential	14.82	$448,765	$94,923	$18,274
			Multi Family	10.60	$1,075,233	$76,554	$42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,291
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.

3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, December 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Ross Briles, Sherwood Bible Church

City Clerk's Announcements: Items 12 & 16 removed from the Agenda
Items 8, 11, 13, 14, 23, & 28 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Desirree Abshire, Great Valley Center Fellows Program, by James E. Niskanen, Director of the Parks, Recreation and Neighborhoods Department.

ACTION: Introduction made by Jim Niskanen, Parks, Recreation & Neighborhoods

2. Introduction of Jeff Barnes, the new Traffic Engineer for the City of Modesto, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

3. Introduction of Lee Dumas, Senior Civil Engineer, the City's project manager for the Kaiser Project, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

MISCELLANEOUS

Appointments

4. Consider appointing Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009.
· Resolution approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-654 (Dunbar/Jackman; unan.) approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 28

ACTION Consent Items 5- 8, 10, 15, 17-22, 24-27: Jackman/Dunbar; unan.

ACTION Item 8: Jackman/Keating; unan.

ACTION Item 11: Dunbar/Jackman; unan.

ACTION Item 13: Marsh/Dunbar; majority, Keating no

ACTION Item 14: Hawn/Jackman; majority Keating and O'Bryant no

ACTION Item 23: Jackman/Hawn; unan.

ACTION Item 28: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the regular City Council meeting of December 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar, unan.) approved the minutes of December 7, 2004.

CONSENT
6. Consider final adoption of:

a. Ordinance No. 3371-C.S. - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3371-C.S.** - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.

b. Ordinance No. 3372-C.S. - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3372-C.S.** - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)

c. Ordinance No. 3373-C.S. - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3373-C.S.** - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)

d. Ordinance No. 3374-C.S. - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3374-C.S.** - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)

e. Ordinance No. 3375-C.S. - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3375-C.S.** - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)

CONSENT
7. Consider accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004.
· Resolution accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-655 (Jackman/Dunbar; una.) accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December

14, 2004.

Removed from Consent
8. Consider the Monthly Budget Adjustment Report.
· Resolution approving Fiscal Year 2004 budget adjustments for December 2004 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2004-656 (Jackman/Keating; unan.) approving Fiscal Year 2004 budget adjustments for December 2004.

CONSENT
9. Consider extending the City's support for the Public Access Channel, at a cost of $8,000, through April 30, 2005.
· Resolution approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000 recommended.
Information Technology; Lori Palacio, 571-5598, lpalacio@modestogov.com

ACTION: Resolution 2004-657 (Jackman/Dunbar; unan.) approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000

CONSENT
10. Consider a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.
· Resolution approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-658 (Jackman/Dunbar; unan) approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.

Removed from Consent
11. Consider the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.
· Resolution accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-659 (Dunbar/Jackman; unan.) accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.

Removed from the Agenda
12. Consider a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Removed from the agenda.

Removed from Consent
13. Consider funding for additional Police service in downtown Modesto.
· Resolution amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Resolution 2004-660 (Marsh/Dunbar; majority, Keating no) amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds.

Removed from Consent
14. Consider amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director; Consider amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.
· Resolution amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director recommended.
· Resolution amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-661 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director.

ACTION: Resolution 2004-662 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.

CONSENT
15. Consider approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 from the State Board of Corrections to fund the program, and authorizing the Acting City Manager to execute the necessary documents; and Consider amending the 2004/2005 budget to accept the revenue and expend the funds.
· Resolution approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to fund the City's match recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Resolution 2004-663 (Jackman/Dunbar; unan.) approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-664 (Jackman/Dunbar; unan.) amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to

fund the City's match.

Removed from the Agenda
16. Consider a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Removed from the agenda

CONSENT
17. Consider the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction). Estimated cost is approximately $750 per intersection for a total of $3,000. Funds are budgeted.
· Resolution approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction) recommended.
Public Works; Jeff Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2004-665 (Jackman/Dunbar; unan.) approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction).

CONSENT
18. Consider authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.
· Resolution authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities recommended.
Public Works, Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-666 (Jackman/Dunbar; unan.) authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.

CONSENT
19. Consider accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract. Total project cost is $326,803.
· Resolution accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract recommended.

Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-667 (Jackman/Dunbar; unan.) accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract.

CONSENT
20. Consider accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract. Total project cost is $872,240.27.
· Resolution accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract recommended.
Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-668 (Jackman/Dunbar; unan.) accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract.

CONSENT
21. Consider authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.
· Resolution authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59 recommended.
Public Works; Beverly McCullough, 577-5495, bmccullough@modestogov.com

ACTION: Resolution 2004-669 (Jackman/Dunbar; unan.) authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.

CONSENT
22. Consider rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.
§ Resolution rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-670 (Jackman/Dunbar; unan.) rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.

Removed from Consent
23. Consider awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the necessary documents.
§ Resolution awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-671 (Jackman/Hawn; unan.) awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.

CONSENT
24. Consider accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents. Total estimated cost of the project is $104,337.12.
· Resolution accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-672 (Jackman/Dunbar; unan.) accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
25. Consider accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract. Total estimated cost including construction contingency and administration, and engineering design is $242,916.
· Resolution accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-673 (Jackman/Dunbar; unan.) accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract.

CONSENT
26. Consider approval of final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Mesilla Valley Development LLC.
· Resolution approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal

Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-674 (Jackman/Dunbar; unan.) approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
27. Consider limited revisions to the 2001 City of Modesto Standard Specifications.
· Resolution approving limited revisions to the 2001 City of Modesto Standard Specifications recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-675 (Jackman/Dunbar; unan.) approving limited revisions to the 2001 City of Modesto Standard Specifications.

Removed from Consent
28. Consider approving Amendment No. 1 to the agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents; and Consider authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.
· Resolution approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents recommended
· Resolution authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2004-676 (Jackman/Hawn; unan.) approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-677 (Jackman/Hawn; unan.) authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

29. Hearing to consider the Annual Capital Facility Fees (CFF) Program Review; and Consider rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

· Motion acknowledging the receipt of the Annual Capital Facility Fees Program Review recommended.
· Resolution rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Keating; unan.) acknowledged receipt of the Annual Capital Facility Fees Program Review.

ACTION: Resolution 2004-678 (Dunbar/Keating; unan.) rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

The following item was continued from December 7, 2004
30. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-679 (Hawn/Keating; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5).

ACTION: Resolution 2004-680 (Hawn/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

31. Hearing to consider clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2); Consider Amendment #2 to the Village One Facilities Master Plan; and Consider creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.
· Resolution clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution approving Amendment #2 to the Village One Facilities Master Plan recommended.
· Resolution creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-681 (Hawn/Jackman; unan.) clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2).

ACTION: Resolution 2004-682 (Hawn/Jackman; unan.) approving Amendment #2 to the Village One Facilities Master Plan.

ACTION: Resolution 2004-683 (Hawn/Jackman; unan.) creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.

32. Hearing to consider a prezone to P-PD (Planned Development) for a 20-acre parcel designated Industrial and a request to file an application with the Stanislaus Local Agency Formation Commission (LAFCO) to annex the subject property to the

City of Modesto, the Modesto Sewer District No. 1, and detach from the Industrial Fire Protection District, and approval of an Initial Study and Finding of Conformance for the proposed project - submitted by Eagle Valley Investments Inc.
· Motion introducing an ordinance amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District recommended.
· Resolution finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041) recommended.
Community & Economic Development; Cindy van Empel, 577-5280, cvanempel@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introducing Ordinance No. 3376-C.S.** amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road

ACTION: Resolution 2004-684 (Jackman/Dunbar; unan.) approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road.

ACTION: Resolution 2004-685 (Jackman/Dunbar; unan.) a Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District.

ACTION: Resolution 2004-686 (Jackman/Dunbar; unan.) finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041).

33. Hearing to consider an amendment to the Annual Action Plan for 2004-2005, reallocating Community Development Block Grant (CDBG) funds.
· Resolution approving the proposed amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-687 (O'Bryant/Hawn; unan.) approving the proposed

amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-688 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-689 (O'Bryant/Hawn; unan.) amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-690 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year.

NEW BUSINESS

34. Consider authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000 recommended.
· Resolution directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement recommended.
Parks, Recreation & Neighborhoods; Duane Frederick, 342-2275, dfrederick@modestogov.com

ACTION: Resolution 2004-691 (O'Bryant/Dunbar; unan.) authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000.

ACTION: Resolution 2004-692 (O'Bryant/Dunbar; unan.) directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:55 p.m.

All closed sessions heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR:

(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Four Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of cases: Steve Duden v. City of Modesto Police Department
Worker's Compensation Appeals Board Case Nos. STK 169317, STK 169318, STK 172988 and STK 180974

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

Facts and Circumstances: One former City employee has alleged that the City unlawfully discriminated and/or retaliated against her.

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-566

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO ORDERING THE CONSOLIDATION OF BOUNDARY MAPS RELATED TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

WHEREAS, this Council has, pursuant to its Resolution No. 2004-127, "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein," adopted on March 2, 2004, conducted proceedings for the formation of the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") pursuant to Chapter 2.5 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, as a part of the proceedings, a map of the District was approved by this Council and recorded with the County Recorder of the County of Stanislaus in accordance with the Act; and

WHEREAS, as a part of subsequent proceedings related to annexations to the District, maps of the annexed areas were also approved by this Council and recorded with the County Recorder in accordance with the Act; and

WHEREAS, Section 3113.5 of the California Streets and Highways Code authorizes this Council to direct the consolidation of previously recorded maps;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND, by the City Council of the City of Modesto, that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The map of the District and the map related to each annexation thereto, being Annexation Nos. 1 through 10, heretofore recorded with the County Recorder pursuant to Sections 3100 and 3110.5 of the California Streets and Highways Code, are hereby ordered consolidated into a single map.

SECTION 3. The City Clerk is directed to cause the consolidated map to be prepared and recorded with the County Recorder pursuant to Sections 3113 and 3113.5 of the California Streets and Highways Code. Upon such recordation, the map of the District, as originally recorded, as well as the maps related to each of the referenced annexations, shall be deemed superseded.

SECTION 4. The title of the map shall be "Boundaries of City of Modesto Community Facilities District No. 2004-1 (Village One #2)" and references on the face of the map, and the cross-indexing by the County Recorder, shall include all maps being superseded.

The foregoing resolution was introduced at a special meeting of the Council of the City of Modesto held on the 9th day of November 2005, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Jackman, Keating, Marsh, O'Bryant
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Hawn, Mayor Ridenour

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 12/16/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, November 9, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: Dunbar

Pledge of Allegiance to the Flag

Invocation: Pastor Michael Saldivar, La Loma Grace Brethren

City Clerk's Announcements: Item 20 requested to be continued to November 23, 2004

Declaration of Conflicts of Interest Item 7 - Ridenour and Marsh
Item 17 - Hawn

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction by Chief Wasden of newly promoted Police Department Management staff; Police Lieutenant Lucian Thomas, Police Lieutenant Michael Zahr, Police Sergeant Daniel Key.

ACTION: Introductions made by Chief Roy Wasden

2. Introduction by Chief Wasden of Paul Stein, the new director of the Stanislaus Regional 911 Emergency Dispatch Center.

ACTION: Introduction made by Chief Roy Wasden.

3. Recognition of Modesto's national honors from the National Association of Town Watch for placing first for participation in "National Night Out 2004" among cities with populations from 100,000 to 299,999.

ACTION: Presentation made by Chief Wasden and Rosie Fabela.

MISCELLANEOUS
Appointments

4. Consider appointing two Planning Commissioners: Mary Arias, and F. Tom Berglund.
· Resolution appointing two Planning Commissioners: Mary Arias, with a term ending January 1, 2007 and F. Tom Berglund, with a term beginning January 1, 2005 and ending January 1, 2009 recommended.
City Manager; George Britton, 577-5404, gbritton@modestogov.com

ACTION: Resolution 2004-591 (Jackman/Marsh; unan. Dunbar absent) appointing two Planning Commissioners: Mary Arias, with a term ending January 1, 2007 and F. Tom Berglund, with a term beginning January 1, 2005 and ending January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 18

ACTION Consent Items 5, 6, 8-16, 18: Jackman/O'Bryant; unan. Dunbar absent

ACTION Consent Item 7: Jackman/Hawn; Dunbar, Marsh and Ridenour absent

ACTION Consent Item 17: Keating/Jackman; Dunbar and Hawn absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the special City Council meeting of November 3, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) approved the minutes of November 3, 2004.

CONSENT
6. Consider updating various sections of the Modesto Municipal Code that have been affected by recent City departmental reorganizations.
· Motion introducing an ordinance amending Section 1-2.07 of Chapter 2 of Title 1 relating to penalty provisions (reorganization of departments) recommended.
· Motion introducing an ordinance adding Article 17 of Chapter 3 of Title 2 relating to Public Works Department and repealing Articles 10 and 12 of Chapter 3 of Title 2 relating to Operations and Maintenance Department and Engineering and Transportation Department (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 3-2.105, 3-2.204, 3-2.301, 3-2.304, 3-2.305, 3-2.306, 3-2.307, 3-2.308, 3-2.401, 3-2.402, 3-2.404, 3-2.501, 3-2.502, 3-2.601, 3-2.701, 3-2.808, 3-2.901, 3-2.1007, 3-2.1008, 3-2.1101, 3-2.1102, 3-2.1103, 3-2.1201, 3-2.1204, 3-2.1302, 3-2.1402, 3-2.1501, 3-2.1502, 3-2.1503, 3-2.1504, 3-2.1607, 3-2.1701 and 3-2.1911 of Chapter 2 of Title 3 relating to traffic

regulations (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 4-2.09 and 4-2.30 of Chapter 2 of Title 4 relating to misdemeanors; Sections 4-3.01, 4-3.02, 4-3.04, 4-3.06, 4-3.07.2, 4-3.09, 4-3.10, 4-3.11, 4-3.12, 4-3.13, 4-3.14, 4-3.19, 4-3.20, and 4-3.21 of Chapter 3 of Title 4 relating to moving of buildings; Sections 4-4.401, 4-4.404, 4-4.503, 4-4.509, 4-4.510, 4-4.511, 4-4.513, 4-4.515, 4-4.516, 4-4.517, 4-4.518, 4-4.601, 4-4.602, 4-4.603, 4-4.604, 4-4.605, 4-4.801, 4-4.802, 4-4.802.1 and 4-4.804 of Chapter 4 of Title 4 relating to subdivision of land; Sections 4-503, 4-5.05 and 4-5.06 of Chapter 5 of Title 4 relating to regulation of streets and sidewalks; Section 4-6.101, 4-6.201, 4-6.202, 4-6.203, 4-6.204, 4-6.206, 4-6.207, 4-6.208, 4-6.209, 4-6.210, 4-6.301, 4-6.303, 4-6.306, 4-6.402, 4-6.501, 4-6.502, 4-6.503, 4-6.504, 4-6.801, and 4-6.901 of Chapter 6 of Title 4 relating to taxicabs; Sections 4-7.1103 and 4-7.1106 of Article 11 of Chapter 7 of Title 4 relating to collection of pruned refuse; Section 4-8.10 of Chapter 8 of Title 4 relating to regulation of parades; and Sections 4-15-103, 4-15.104, 4-15.105, 4-15.106, 4-15.203, 4-15.301, 4-15.302, and 4-15.401 of Chapter 15 of Title 4 relating to outdoor dining in the public rights-of-way permitted (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 5-1.102, 5-1.503, 5-1.504, 5-1.505, 5-1.506, 5-1.510, 5-1.511, 5-1.512, 5-1.513, 5-1.514, 5-1.515, 5-1.516, and 5-1.518 of Chapter 1 of Title 5 relating to general sanitation; Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38, and 5-5.41 of Chapter 5 of Title 5 relating to solid waste; and Sections 5-6.103, 5-6.309, 5-6.701, and 5-6.805 of Chapter 6 of Title 5 relating to sewage collection and disposal (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 7-1.102, 7-1.104, 7-1.105, 7-1.106, 7-1.108, 7-1.110, 7-1.201, 7-1.301, 7-1.304, 7-1.401, 7-1.404, 7-1.502, 7-1.503, and 7-1.701 of Chapter 1 of Title 7 relating to street improvements; Section 7-2.02 of Chapter 2 of Title 7 relating to street cuts; Sections 7-3.103 and 7-3.202.1 of Chapter 3 of Title 7 relating to Modesto City-County Airport; and Sections 7-5.01, 7-5.02, 7-5.03, 7-5.04, 7-5.05, 7-5.06, 7-5.08, and 7-5.10 of Chapter 5 of Title 7 relating to street trees (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 10-2.2006 and 10-2.2009 of Article 20 of Chapter 2 of Title 10 relating to off-street parking requirements; and Section 10-2.2314 of Article 23 of Chapter 2 of Title 10 relating to general provisions (reorganization of departments) recommended.
· Motion introducing an ordinance amending Sections 11-1.01, 11-1.04, 11-1.05, 11-1.06, 11-1.08, 11-1.14, 11-1.15 and 11-1.16 of Chapter 1 of Title 11 relating to water rates and regulations; Section 11-4.27 of Chapter 4 of Title 11 relating to procedure for granting cable communication system franchises; Sections 11-5.05, 11-5.07 and 11-5.11 of Chapter 5 of Title 11 relating to regulations and procedures for the removal of overhead utility facilities and the installation of underground utility districts; and Sections 11-6.05, 11-6.06, 11-6.08, 11-6.10, 11-6.11, and 11-6.13 of Chapter 6 of Title 11 relating to collections of public utilities charges (reorganization of departments) recommended.
· Motion introducing an ordinance amending Section 12-1.03 of Chapter 1 of Title 12 relating to landscaping and irrigation standards; and Sections 12-4.203 and 12-4.204 of Article 2 of Chapter 4 of Title 12 relating to use of park and recreation areas and facilities (reorganization of departments) recommended.
City Attorney, Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3361** amending Section 1-2.07 of Chapter 2 of Title 1 relating to penalty provisions (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3362** adding Article 17 of Chapter 3 of Title 2 relating to Public Works Department and repealing Articles 10 and 12 of Chapter 3 of Title 2 relating to Operations and Maintenance Department and Engineering and Transportation Department (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3363** amending Sections 3-2.105, 3-2.204, 3-2.301, 3-2.304, 3-

2.305, 3-2.306, 3-2.307, 3-2.308, 3-2.401, 3-2.402, 3-2.404, 3-2.501, 3-2.502, 3-2.601, 3-2.701, 3-2.808, 3-2.901, 3-2.1007, 3-2.1008, 3-2.1101, 3-2.1102, 3-2.1103, 3-2.1201, 3-2.1204, 3-2.1302, 3-2.1402, 3-2.1501, 3-2.1502, 3-2.1503, 3-2.1504, 3-2.1607, 3-2.1701 and 3-2.1911 of Chapter 2 of Title 3 relating to traffic regulations (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3364** amending Sections 4-2.09 and 4-2.30 of Chapter 2 of Title 4 relating to misdemeanors; Sections 4-3.01, 4-3.02, 4-3.04, 4-3.06, 4-3.07.2, 4-3.09, 4-3.10, 4-3.11, 4-3.12, 4-3.13, 4-3.14, 4-3.19, 4-3.20, and 4-3.21 of Chapter 3 of Title 4 relating to moving of buildings; Sections 4-4.401, 4-4.404, 4-4.503, 4-4.509, 4-4.510, 4-4.511, 4-4.513, 4-4.515, 4-4.516, 4-4.517, 4-4.518, 4-4.601, 4-4.602, 4-4.603, 4-4.604, 4-4.605, 4-4.801, 4-4.802, 4-4.802.1 and 4-4.804 of Chapter 4 of Title 4 relating to subdivision of land; Sections 4-503, 4-5.05 and 4-5.06 of Chapter 5 of Title 4 relating to regulation of streets and sidewalks; Section 4-6.101, 4-6.201, 4-6.202, 4-6.203, 4-6.204, 4-6.206, 4-6.207, 4-6.208, 4-6.209, 4-6.210, 4-6.301, 4-6.303, 4-6.306, 4-6.402, 4-6.501, 4-6.502, 4-6.503, 4-6.504, 4-6.801, and 4-6.901 of Chapter 6 of Title 4 relating to taxicabs; Sections 4-7.1103 and 4-7.1106 of Article 11 of Chapter 7 of Title 4 relating to collection of pruned refuse; Section 4-8.10 of Chapter 8 of Title 4 relating to regulation of parades; and Sections 4-15-103, 4-15.104, 4-15.105, 4-15.106, 4-15.203, 4-15.301, 4-15.302, and 4-15.401 of Chapter 15 of Title 4 relating to outdoor dining in the public rights-of-way permitted (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3365** amending Sections 5-1.102, 5-1.503, 5-1.504, 5-1.505, 5-1.506, 5-1.510, 5-1.511, 5-1.512, 5-1.513, 5-1.514, 5-1.515, 5-1.516, and 5-1.518 of Chapter 1 of Title 5 relating to general sanitation; Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38, and 5-5.41 of Chapter 5 of Title 5 relating to solid waste; and Sections 5-6.103, 5-6.309, 5-6.701, and 5-6.805 of Chapter 6 of Title 5 relating to sewage collection and disposal (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3366** amending Sections 7-1.102, 7-1.104, 7-1.105, 7-1.106, 7-1.108, 7-1.110, 7-1.201, 7-1.301, 7-1.304, 7-1.401, 7-1.404, 7-1.502, 7-1.503, and 7-1.701 of Chapter 1 of Title 7 relating to street improvements; Section 7-2.02 of Chapter 2 of Title 7 relating to street cuts; Sections 7-3.103 and 7-3.202.1 of Chapter 3 of Title 7 relating to Modesto City-County Airport; and Sections 7-5.01, 7-5.02, 7-5.03, 7-5.04, 7-5.05, 7-5.06, 7-5.08, and 7-5.10 of Chapter 5 of Title 7 relating to street trees (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3367** amending Sections 10-2.2006 and 10-2.2009 of Article 20 of Chapter 2 of Title 10 relating to off-street parking requirements; and Section 10-2.2314 of Article 23 of Chapter 2 of Title 10 relating to general provisions (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3368** amending Sections 11-1.01, 11-1.04, 11-1.05, 11-1.06, 11-1.08, 11-1.14, 11-1.15 and 11-1.16 of Chapter 1 of Title 11 relating to water rates and regulations; Section 11-4.27 of Chapter 4 of Title 11 relating to procedure for granting cable communication system franchises; Sections 11-5.05, 11-5.07 and 11-5.11 of Chapter 5 of Title 11 relating to regulations and procedures for the removal of overhead utility facilities and the installation of underground utility districts; and Sections 11-6.05, 11-6.06, 11-6.08, 11-6.10, 11-6.11, and 11-6.13 of Chapter 6 of Title 11 relating to collections of public utilities charges (reorganization of departments)

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) **introduced Ordinance No. 3369** amending Section 12-1.03 of Chapter 1 of Title 12 relating to landscaping and irrigation standards; and Sections 12-4.203 and 12-4.204 of Article

2 of Chapter 4 of Title 12 relating to use of park and recreation areas and facilities (reorganization of departments)

Ridenour & Marsh absent due to Conflict of Interest
7. Consider declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2).
· Resolution declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-592 (Jackman/O'Bryant; unan; Dunbar, Marsh and Ridenour, absent) declaring the official intent of the City of Modesto to be reimbursed for certain capital expenditures from the proceeds of indebtedness (CFD No. 2004-1, Village One #2)

CONSENT
8. Consider an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents.
· Resolution approving an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents recommended.
City Manager; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2004-593 (Jackman/O'Bryant; unan. Dunbar absent) approving an agreement amending the design service contract with O'Dell Engineering to increase the contract amount from $190,700 to $207,580 with an additional $5,000 contingency and authorizing the Community Facilities District Administrator to execute necessary documents

CONSENT
9. Consider the Monthly Investment Report - September 2004.
· Motion acknowledging receipt of report.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan. Dunbar absent) acknowledging receipt of report.

CONSENT
10. Consider authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625.
· Resolution authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-594 (Jackman/O'Bryant; unan. Dunbar absent) authorizing the award of bid and contract for hydrochloric acid for the Secondary Wastewater Treatment Plant, to Reagent Chemical for an initial one-year period, with three one-year contract extension options, for an approximate annual cost of $31,625

CONSENT
11. Consider a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park.
· Resolution approving a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-595 (Jackman/O'Bryant; unan. Dunbar absent) approving a grant application for $10,000 in funding from the Stanislaus County Children and Families Commission (Proposition 10) for playground equipment at Mancini Park, a part of the Tuolumne River Regional Park

CONSENT
12. Consider the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season, authorizing the Acting City Manager to execute the necessary documents to implement the approved program; Consider $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families, authorizing the Acting City Manager to execute the necessary documents to implement the approved program; and Consider $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless.
· Resolution approving the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season, authorizing the Acting City Manager to execute the necessary documents to implement the approved program recommended.
· Resolution approving $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families, authorizing the Acting City Manager to execute the necessary documents to implement the approved program recommended.
· Resolution approving $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-596 (Jackman/O'Bryant; unan. Dunbar absent) approving the allocation of $15,000 in Community Development Block Grant (CDBG) funding to Community Housing and Shelter Services to provide motel vouchers for homeless families during the winter season; approving $2,000 in CDBG funding to Inter-Faith Ministries for the operation and provision of a winter shelter for homeless families; approving $43,884 in Emergency Shelter Grant (ESG) funding and $23,103 in CDBG funding to the Salvation Army for the operation and provision of a winter shelter for the homeless; and authorizing the Acting City Manager to execute the necessary documents to implement the approved programs.

ACTION: Resolution 2004-597 was not used

ACTION: Resolution 2004-598 was not used

CONSENT
13. Consider a grant application for up to $940,000 to the Transportation Enhancement Activities Fund administered by StanCOG for the development of Phase

III of the Virginia Corridor.
· Resolution approving a grant application for up to $940,000 to the Transportation Activities Fund, which is a funding project through the Federal Transportation Equity Act for the 21st Century (TEA-21), for the development of Phase III of the Virginia Corridor project, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2004-599 (Jackman/O'Bryant; unan. Dunbar absent) approving a grant application for up to $940,000 to the Transportation Activities Fund, which is a funding project through the Federal Transportation Equity Act for the 21st Century (TEA-21), for the development of Phase III of the Virginia Corridor project, and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
14. Consider a two-year lease agreement with Tom and Stacey Anne Saurey for lease of property located at the southwest corner of North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorize the Acting City Manager to execute the necessary documents.
· Resolution approving a two-year lease agreement with Tom and Stacey Anne Saurey for use of property located at North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-600 (Jackman/O'Bryant; unan. Dunbar absent) approving a two-year lease agreement with Tom and Stacey Anne Saurey for use of property located at North Washington and Laurel Streets, in the vicinity of the Corporation Yard, in the amount of $9,100 the first year, (includes a $700 initial deposit) and $8,400 in the second year of the lease, and authorizing the Acting City Manager to execute the necessary documents

CONSENT
15. Consider an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents.
· Resolution approving an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents recommended.
Public Works; Peter Cowles, 577-5205, pcowles@modestogov.com

ACTION: Resolution 2004-601 (Jackman/O'Bryant; unan. Dunbar absent) approving an agreement in the amount of $200,000 with Kaiser Foundation Hospitals for partially funding a full-time, limited-term Project Manager to act as a liaison between the City and Kaiser and to oversee development of the Kaiser Facility Project, and authorizing the Acting City Manager to sign the necessary documents

CONSENT
16. Consider increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5% ($88,306.50) of the original contract price with Goodland Landscape Company Inc.
· Resolution authorizing increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5%

($88,306.50) of the original contract price with Goodland Landscape Company Inc. recommended.
Public Works; Pamela Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-602 (Jackman/O'Bryant; unan. Dunbar absent) authorizing increasing the Public Works Director's authority to issue change orders on the "Ustach Neighborhood Park" project from 8% ($83,112) to 8.5% ($88,306.50) of the original contract price with Goodland Landscape Company Inc.

Hawn absent due to Conflict of Interest.
17. Consider increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000.
· Resolution authorizing increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000 recommended.
Public Works; Pamela Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-603 (Jackman/O'Bryant; unan; Dunbar & Hawn, absent) authorizing increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" project from $41,000 to $45,000

CONSENT
18. Consider accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Ridge Sutter, a married man as his sole and separate property.
· Resolution accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-604 (Jackman/O'Bryant; unan. Dunbar absent) accepting the improvements for the Mira Loma Subdivision, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

This item was continued from October 12, 2004 and October 26, 2004
19. Hearing to consider the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime.
· Resolution approving the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime recommended.
Police; Judy Tognolini, 572-9523, tognolinij@modestopd.com

ACTION: Resolution 2004-605 (O'Bryant/Keating; unan. Dunbar absent) approving the expenditure of the 2004/2005 allocation of $302,843 from the State of California Supplemental Law Enforcement Services Fund for patrol services overtime.

ACTION: Resolution 2004-605A (O'Bryant/Keating; unan. Dunbar absent) amending the FY04-05 Budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant.

It has been requested to continue the following item to November 23, 2004
20. Hearing to consider approval of Amendment #1 to the Village One Facilities Master Plan Update and environmental findings.

ACTION: By motion (Hawn/Jackman; unan. Dunbar absent)This item was continued to November 23, 2004.

21. Hearing to consider a request from Habitat for Humanity, Stanislaus, for a refund of Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, within the City limits.
· Resolution approving a refund to Habitat for Humanity, Stanislaus for $11,457 paid for Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-606 (Marsh/Jackman; unan. Dunbar absent) approving a refund to Habitat for Humanity, Stanislaus for $11,457 paid for Capital Facilities Fees totaling $11,457 for properties located at 1308, 1312 and 1320 Dan West Court, and authorizing the Acting City Manager to execute the necessary documents.

22. Hearing to consider a Waste Management Performance Review Report regarding Modesto Disposal Service.
· Resolution accepting the Waste Management Performance Review Report regarding Modesto Disposal Service for period of December 2003 through September 30, 2004 and authorizing the Acting City Manager to execute a one-year extension of the Interim Service Agreement recommended.
Public Works; Jocelyn Reed, 577-5494, jreed@modestogov.com

ACTION: Resolution 2004-607 (Jackman/Keating; unan. Dunbar absent) accepting the Waste Management Performance Review Report regarding Modesto Disposal Service for period of December 2003 through September 30, 2004 and authorizing the Acting City Manager to execute a one-year extension of the Interim Service Agreement

NEW BUSINESS

23. Consider a report on the Dry Creek Sanitary Sewer Overflow incident.
· Motion acknowledging the receipt of a report on the Dry Creek Sanitary Sewer Overflow incident recommended.
Public Works; Peter Cowles, 577-5205, pcowles@modestogov.com

ACTION: By Motion (Jackman/Keating; unan. Dunbar absent) acknowledging the receipt of a report on the Dry Creek Sanitary Sewer Overflow incident.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 6:50 p.m.

CLOSED SESSION

Both closed sessions heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Two Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: The Committee Concerning Community Improvements, et al. v. City of Modesto, et al.
United States District Court, Eastern District of California Case No. CIV-F-04-6121 REC DLB

Name of case: Enrique Sanchez, et al. v. City of Modesto, et al.
Stanislaus County Superior Court No., 347903

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Janice Stewart, Assistant Personnel Director
Jana Coons, Administrative Services Officer

Employee Organization: Modesto City Employees Association

ORDINANCE NO. 3392-C.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MODESTO AMENDING ORDINANCE NO. 3345-C.S. ENTITLED "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MODESTO AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)"

The Council of the City of Modesto does ordain as follows:

WHEREAS, this Council has, pursuant to its Resolution No. 2004-127, "A Resolution of the City Council of the City of Modesto of Intention to Establish City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Authorize the Levy of Special Taxes Therein," adopted on March 2, 2004, conducted proceedings for the formation of the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") pursuant to Chapter 2.5 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, as a part of the proceedings this Council did, on April 27, 2004, adopt its Ordinance No. 3345-C.S. authorizing the levy of special taxes, as more particularly set forth in Exhibit A thereto, within the District; and

WHEREAS, this Council has, following formation of the District, ordered annexations thereto; and

WHEREAS, this Council has, by its Resolution No. 2004-683, adopted on December 14, 2004, created a Tax Zone #2 within the District and ordered an increase in one component of the special taxes related to Tax Zone #2, and also ordered updates to information in the special taxes to reflect the annexations to the District; and

WHEREAS, the proceedings contemplate, and it is in the public interest that the special taxes previously authorized to be levied in the District by Ordinance No. 3345-C.S. also be authorized to be levied in areas heretofore or hereafter annexed to the District, and that the levy of the special taxes incorporate the updates thereto and the revision related to Tax Zone #2 ordered by Resolution No. 2004-683 as well as any subsequent update or revision thereto;

NOW, THEREFORE, the City Council of the City of Modesto DOES ORDAIN as follows:

SECTION 1. The above recitals are true and correct and this Council so finds and determines.

SECTION 2. Ordinance No. 3345-C.S., adopted by this Council on April 27, 2004, is amended as follows:

A. Exhibit A to Ordinance No. 3345-C.S. is superseded by Exhibit A hereto in order to incorporate the updates thereto and the revision related to Tax Zone #2 ordered by Resolution No. 2004-683. Exhibit A shall be deemed to include any update or revision thereto subsequently ordered by the Council.

B. The special tax is authorized and levied in the District, including areas heretofore or hereafter annexed thereto, at the rate and in accordance with the method of apportionment set forth in Exhibit A hereto, including any subsequent update or revision thereto.

SECTION 3. Subject to the foregoing amendments, Ordinance No. 3345-C.S. shall remain in full force and effect

SECTION 4. If, for any reason, any portion of this Ordinance is found to be invalid or any component of the special taxes is found to be inapplicable to any particular parcel within the District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the other components of the special taxes to that parcel, and the application of the special taxes to the remaining parcels within the District, shall not be affected.

SECTION 5. Pursuant to Section 722 of the Charter of the City of Modesto, this Ordinance shall go into effect and be in full force and operation as of the date of its adoption.

* * * * *

3392-C.S.
Effective July 12, 2005

The foregoing Ordinance was introduced and adopted at a regular meeting of the Council of the City of Modesto held on the 12th day of July, 2005, by Councilmember Marsh, who moved its introduction and adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Mayor Ridenour

APPROVED: _____

JIM RIDENOUR, Mayor

ATTEST:

By: _____
JEAN ZAHR, City Clerk

(SEAL)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 12/16/05

_____
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- *for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,*

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original

Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies

separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

**** All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.***

1. Original Parcels

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of approval of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has

higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in <u>any</u> Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **<u>Successor Parcels</u>**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-

acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. **Annual Facilities Special Tax**

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. **Annual Maintenance Special Tax**

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. **One-Time Facilities Special Tax**

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. **Annual Facilities Special Tax**

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the ***"Defeasance Requirement"***).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"**Administrative Fees and Expenses**"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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"***).

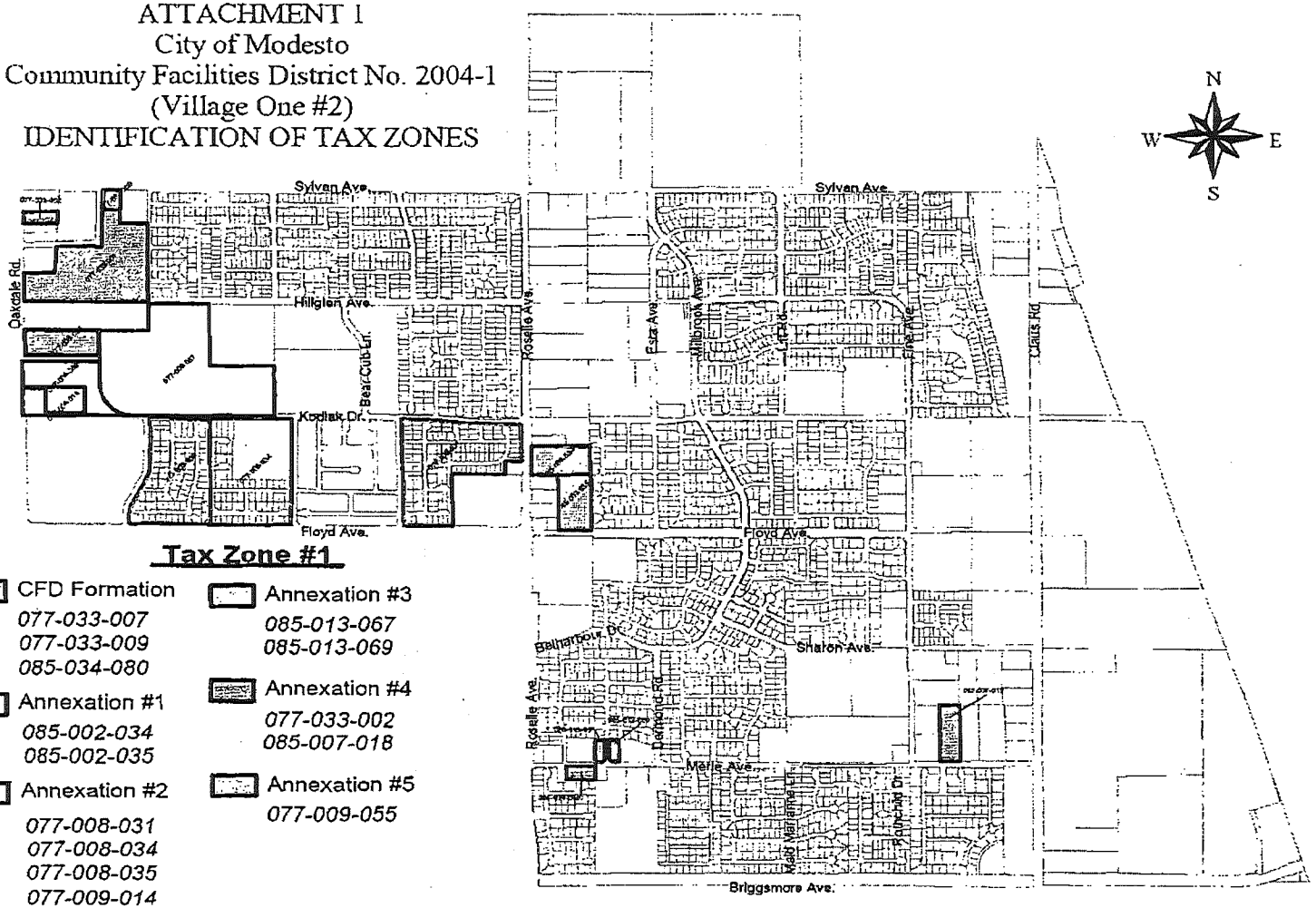
Step 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"**Prepayment Amount**"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1
City of Modesto
Community Facilities District No. 2004-1
(Village One #2)
IDENTIFICATION OF TAX ZONES



Tax Zone #1

CFD Formation
077-033-007
077-033-009
085-034-080

Annexation #1
085-002-034
085-002-035

Annexation #2
077-008-031
077-008-034
077-008-035
077-009-014
077-009-056
077-009-057

Annexation #3
085-013-067
085-013-069

Annexation #4
077-033-002
085-007-018

Annexation #5
077-009-055

SF1 1410143v.4 47922/29

ATTACHMENT 2

Last Updated: 11/4/04

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential	16.23	$491,461	$103,953	$20,012
			Commercial	3.24	$168,810	$11,567	$2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1.00	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,015	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential	14.82	$448,765	$94,923	$18,274
			Multi Family	10.60	$1,075,233	$76,554	$42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,291
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.

3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, July 12, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Marty Villa, Youth for Christ

City Clerk's Announcements: Item 24 was removed from Agenda.
Items 5, 16, 17 and 21 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to Sweet Adelines International proclaiming July 11-18, as Sweet Adelines International Week and July 13, 2005 as Sweet Adelines International Day.

ACTION: Presentation made by Mayor Ridenour.

2. Presentation by the Police and Fire Departments of the 4th of July-After Action Report.

ACTION: Presentation made by Jolene Gonzales, Police Sergeant and Mike Payton, Fire Marshal

ORAL COMMUNICATIONS

· Bob Phipps representing MCEA announced that the City and MCEA had reached impasse.

· George Petrulakis Chairman for the Board of Directors for the Chamber of Commerce introduced Joy Madison as the new Chamber President.

Mayor Ridenour left the meeting. Vice Mayor Jackman conducted the remainder of the meeting.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 24

ACTION Consent Items 3-4, 6- 15, 18-20, 22, 23: Marsh/Keating; unan., Ridenour absent

ACTION Consent: 5 Dunbar/Keating; unan. Ridenour absent

ACTION Consent: 16 Dunbar/Keating; unan. Ridenour absent

ACTION Consent: 17 Dunbar/Keating; unan. Ridenour absent

ACTION Consent: 21 Dunbar/Keating; unan. Ridenour absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of July 5, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Marsh/Keating; unan. Ridenour absent) approving the Minutes of July 5, 2005.

CONSENT
4. Consider introducing and adopting Ordinance 3392-C.S. authorizing the Levy of Special Taxes within CFD 2004-1 (Village One No 2).
· Motion introducing and adopting Ordinance 3392-C.S. authorizing the Levy of Special Taxes within CFD 2004-1 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Marsh/Keating; unan. Ridenour absent) **introducing and adopting Ordinance 3392-C.S.** authorizing the Levy of Special Taxes within CFD 2004-1.

CONSENT
5. Consider authorizing the acquisition of property from Red Rock Ranch, Ltd. (APN: 046-007-021); Alvin & William Luchessa (APN: 046-002-001; 046-007-037) at the intersection of Pelandale Avenue, Carver Road and Tully Road for the Pelandale Signalization Project Total cost to City: $386,475.
· Resolution approving three agreements for the property acquisition for Pelandale Signalization Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto recommended.
· Resolution authorizing the City Manager to sign acceptance forms on behalf of the City of Modesto for the three Grant Deeds involved in this acquisition recommended.
Community & Economic Development; Linda Boston; 571-5179, lboston@modestogov.com

ACTION: Resolution 2005-351 (Dunbar/Keating; unan. Ridenour absent) approving three agreements for the property acquisition for Pelandale Signalization Project and

authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto.

ACTION: Resolution 2005-352 (Dunbar/Keating; unan. Ridenour absent) authorizing the City Manager to sign acceptance forms on behalf of the City of Modesto for the three Grant Deeds involved in this acquisition.

CONSENT
6. Consider authorizing the property acquisition for a portion of the parcels along the intersection of Sylvan Ave and Roselle Ave owned by Edward Fernandes (APN: 085-001-044); Leonard Rorabaugh (APN: 083-004-008); William Huang, et al (APN: 085-001-042); Biddle/Laverty (APN: 085-001-032) and Kenneth Moody (APN: 084-002-041) for the Sylvan-Roselle Roundabout Project Total cost to City: $337,360.
· Resolution approving five agreements for the property acquisition for Sylvan-Roselle Roundabout Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto for the following parcels recommended:
1. Edward Fernandes (APN: 085-001-044 - Portion)
2. Leonard Rorabaugh (APN: 083-004-008 - Portion)
3. William Huang, et al (APN: 085-001-042 - Portion)
4. Biddle/Laverty (APN: 085-001-032 - Portion)
5. Kenneth Moody (APN: 084-002-041 - Portion)
· Resolution authorizing the City Manager to sign acceptance forms on behalf of the City of Modesto for the five Grant Deeds involved in this acquisition recommended.
Community & Economic Development; Linda Boston; 571-5179, lboston@modestogov.com

ACTION: Resolution 2005-353 (Marsh/Keating; unan. Ridenour absent) approving five agreements for the property acquisition for Sylvan-Roselle Roundabout Project and authorizing the City Manager to execute the agreements and all related property documents as Grantee on behalf of the City of Modesto for the following parcels recommended:
1. Edward Fernandes (APN: 085-001-044 - Portion)
2. Leonard Rorabaugh (APN: 083-004-008 - Portion)
3. William Huang, et al (APN: 085-001-042 - Portion)
4. Biddle/Laverty (APN: 085-001-032 - Portion)
5. Kenneth Moody (APN: 084-002-041 - Portion).

ACTION: Resolution 2005-354 (Marsh/Keating; unan. Ridenour absent) authorizing the City Manager to sign acceptance forms on behalf of the City of Modesto for the five Grant Deeds involved in this acquisition

CONSENT
7. Consider acknowledging receipt and accepting the Monthly Investment Report for May 2005.
· Motion acknowledging receipt and accepting the Monthly Investment Report for May 2005 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By motion (Marsh/Keating; unan. Ridenour absent) acknowledging receipt and accepting the Monthly Investment Report for May 2005.

CONSENT
8. Consider authorizing the award of bid and contracts for the purchase of nineteen motorcycle helmet radio communication kits, categorized in three equipment groups, to the following companies, Group 1 - PVP Communications, Inc. for $28,183.33, Group 2 - Ten-Four Communications for $16,229.60, and Group 3 - Delta Wireless, Inc for $710.37, for a total price of $45,124.30.
· Resolution authorizing the award of bid and contracts for the purchase of nineteen

motorcycle helmet radio communication kits, categorized in three equipment groups, to the following companies, Group 1 - PVP Communications, Inc. for $28,183.33, Group 2 - Ten-Four Communications for $16,229.60, and Group 3 - Delta Wireless, Inc for $710.37, for a total price of $45,124.30 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2005-355 (Marsh/Keating; unan. Ridenour absent) authorizing the award of bid and contracts for the purchase of nineteen motorcycle helmet radio communication kits, categorized in three equipment groups, to the following companies, Group 1 - PVP Communications, Inc. for $28,183.33, Group 2 - Ten-Four Communications for $16,229.60, and Group 3 - Delta Wireless, Inc for $710.37, for a total price of $45,124.30.

CONSENT
9. Consider authorizing the award of bid and contract for one chlorine weighing system to Force Flow, Inc. in the approximate amount of $64,537.38.
· Resolution authorizing the award of bid and contract for one chlorine weighing system to Force Flow, Inc. in the approximate amount of $64,537.38 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-356 (Marsh/Keating; unan. Ridenour absent) authorizing the award of bid and contract for one chlorine weighing system to Force Flow, Inc. in the approximate amount of $64,537.38.

CONSENT
10. Consider authorizing the purchase of Light Emitting Diodes (LEDs) traffic signal modules under the County of Sacramento contract from Jam Services, Inc. for a total estimated cost of $107,205.56.
· Resolution authorizing the purchase of Light Emitting Diodes (LEDs) traffic signal modules under the County of Sacramento contract from Jam Services, Inc. for a total estimated cost of $107,205.56 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-357 (Marsh/Keating; unan. Ridenour absent) authorizing the purchase of Light Emitting Diodes (LEDs) traffic signal modules under the County of Sacramento contract from Jam Services, Inc. for a total estimated cost of $107,205.56.

CONSENT
11. Consider approving a HOME Agreement with the Housing Authority of the County of Stanislaus for the Development of Affordable Housing in Village One.
· Resolution approving a development agreement with the Housing Authority of the County of Stanislaus to provide $933,000 in HOME funds for the development of a multi-family housing project in Village One, and authorizing the City Manager to execute the HOME Agreement and related documents recommended.
· Resolution amending the FY 05-06 operating budget to allocate $933,000 in FY 02-03 HOME entitlement funds from 1170-800-8000-8003, HOME Fund Reserve, to 1170-320-3259-0497, Direct Loan, to fully fund the proposed FY05-06 HOME Fund allocation recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2005-358 (Marsh/Keating; unan. Ridenour absent) approving a development agreement with the Housing Authority of the County of Stanislaus to provide $933,000 in HOME funds for the development of a multi-family housing project in Village One, and authorizing the City Manager to execute the HOME Agreement and related documents.

ACTION: Resolution 2005-359 (Marsh/Keating; unan. Ridenour absent) amending

the FY 05-06 operating budget to allocate $933,000 in FY 02-03 HOME entitlement funds from 1170-800-8000-8003, HOME Fund Reserve, to 1170-320-3259-0497, Direct Loan, to fully fund the proposed FY05-06 HOME Fund allocation.

CONSENT
12. Consider approving a one-year lease renewal with Stanislaus County Affordable Housing Corporation (STANCO) for the use of a city-owned house at 308 Locust Street by STANCO's transitional housing program, at the cost of $1.00, and authorizing the City Manager to execute the lease renewal.
· Resolution approving a one-year lease renewal with Stanislaus County Affordable Housing Corporation (STANCO) for the use of a city-owned house at 308 Locust Street by STANCO's transitional housing program, at the cost of $1.00, and authorizing the City Manager to execute the lease renewal recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-360 (Marsh/Keating; unan. Ridenour absent) approving a one-year lease renewal with Stanislaus County Affordable Housing Corporation (STANCO) for the use of a city-owned house at 308 Locust Street by STANCO's transitional housing program, at the cost of $1.00, and authorizing the City Manager to execute the lease renewal.

CONSENT
13. Consider authorizing staff to submit applications for $873,000 in Per Capita funding and $537,781 in Roberti-Z'Berg-Harris Block Grants from the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002 (Proposition 40).
· Resolution approving the submission of applications for $873,000 in Per Capita funding under the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002 (Proposition 40) and authorizing the City Manager to execute the contract and related grant documents recommended.
· Resolution approving the submission of applications for $537,781, in Roberti-Z'berg-Harris Block Grant funding under the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection bond Act of 2002 (Proposition 40) and authorizing the City Manager to execute the contract and related grant documents recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2005-361 (Marsh/Keating; unan. Ridenour absent) approving the submission of applications for $873,000 in Per Capita funding under the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002 (Proposition 40) and authorizing the City Manager to execute the contract and related grant documents.

ACTION: Resolution 2005-362 (Marsh/Keating; unan. Ridenour absent) approving the submission of applications for $537,781, in Roberti-Z'berg-Harris Block Grant funding under the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection bond Act of 2002 (Proposition 40) and authorizing the City Manager to execute the contract and related grant documents.

CONSENT
14. Consider approving the renewal of both the excess workers' compensation insurance and property and boiler & machinery insurance for City of Modesto owned and operated properties.
· Resolution authorizing the Risk Manager to bind excess workers' compensation insurance coverage in the amount of $185,028 and authorizing the City Manager to execute the renewal agreement for the insurance recommended.
· Resolution authorizing the Risk Manager to bind property insurance for the City of Modesto owned and/or operated properties in the amount of $254,815 and

authorizing the City Manager to execute the renewal agreement for the insurance recommended.
Personnel; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2005-363 (Marsh/Keating; unan. Ridenour absent) authorizing the Risk Manager to bind excess workers' compensation insurance coverage in the amount of $185,028 and authorizing the City Manager to execute the renewal agreement for the insurance.

ACTION: Resolution 2005-364 (Marsh/Keating; unan. Ridenour absent) authorizing the Risk Manager to bind property insurance for the City of Modesto owned and/or operated properties in the amount of $254,815 and authorizing the City Manager to execute the renewal agreement for the insurance.

CONSENT
15. Consider establishing a new Franchise Towing Program in the City of Modesto.
· Motion directing the Purchasing Division to issue a Request for Proposals (RFP)/Application for a City of Modesto Non-Exclusive Franchise Tow Program recommended.
· Resolution, subject to additional revenues collected, authorizing the addition of one Modesto Community Service Officer to the Police Department's Position Allocation recommended.
Police; Greg Savelli, 342-9550, savellig@modestopd.com

ACTION: By Motion (Marsh/Keating; unan. Ridenour absent) directing the Purchasing Division to issue a Request for Proposals (RFP)/Application for a City of Modesto Non-Exclusive Franchise Tow Program.

ACTION: Resolution 2005-365 (Marsh/Keating; unan. Ridenour absent) subject to additional revenues collected, authorizing the addition of one Modesto Community Service Officer to the Police Department's Position Allocation.

Removed from Consent
16. Consider approving the award of a professional services agreement to Wood Rodgers, Inc., for $644,323 to complete design services for a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue and authorizing the City Manager to execute the Agreement.
· Resolution approving the award of a professional services agreement to Wood Rodgers, Inc., for $644,323 to complete design services for a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue and authorizing the City Manager to execute the Agreement recommended.
Public Works; Lee Dumas, 571-5537, ldumas@modestogov.com

ACTION: Resolution 2005-366 (Dunbar/Keating; unan. Ridenour absent) approving the award of a professional services agreement to Wood Rodgers, Inc., for $644,323 to complete design services for a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue and authorizing the City Manager to execute the Agreement.

Removed from Consent
17. Consider approving the award of a professional services agreement to Mark Thomas and Company for $178,687 to complete Design Services for Roadway Widening and Signal Modifications at the intersection of Pelandale Avenue and Sisk Road and on the northbound on-ramp at State Route 99 and authorizing the City Manager to execute the Agreement.
· Resolution approving the award of a professional services agreement to Mark Thomas and Company for $178,687 to complete Design Services for Roadway Widening and Signal Modifications at the intersection of Pelandale Avenue and Sisk Road and on the northbound on-ramp at State Route 99 and authorizing the City

Manager to execute the Agreement recommended.
Public Works; Lee Dumas, 577-5537, ldumas@modestogov.com

ACTION: Resolution 2005-367 (Dunbar/Keating; unan. Ridenour absent) approving the award of a professional services agreement to Mark Thomas and Company for $178,687 to complete Design Services for Roadway Widening and Signal Modifications at the intersection of Pelandale Avenue and Sisk Road and on the northbound on-ramp at State Route 99 and authorizing the City Manager to execute the Agreement.

CONSENT
18. Consider approving an Amendment to the Agreement with Larry Walker Associates for additional work in the development of the Pollution Prevention Plans for the NPDES Permit in the amount of $13,917 (total budget $188,215) and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City.
· Resolution approving an Amendment to the Agreement with Larry Walker Associates for additional work in the development of the Pollution Prevention Plans for the NPDES Permit in the amount of $13,917 (total budget $188,215) and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City recommended.
Public Works; Adam Denlinger, 577-6238, adenlinger@modestogov.com

ACTION: Resolution 2005-368 (Marsh/Keating; unan. Ridenour absent) approving an Amendment to the Agreement with Larry Walker Associates for additional work in the development of the Pollution Prevention Plans for the NPDES Permit in the amount of $13,917 (total budget $188,215) and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City.

CONSENT
19. Consider accepting the work by Kroeker, Inc., for the "Demolition of Buildings on 8th Street" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $110,419 per the contract. Total project expenditures to date are $2,665,092.
· Resolution accepting the work by Kroeker, Inc., for the "Demolition of Buildings on 8th Street" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $110,419 per the contract recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-369 (Marsh/Keating; unan. Ridenour absent) accepting the work by Kroeker, Inc., for the "Demolition of Buildings on 8th Street" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $110,419 per the contract.

CONSENT
20. Consider rejecting the sole bid for the project titled "Play Equipment Upgrades for Modesto Playgrounds" and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the sole bid for the project titled "Play Equipment Upgrades for Modesto Playgrounds" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-370 (Marsh/Keating; unan. Ridenour absent) rejecting the sole bid for the project titled "Play Equipment Upgrades for Modesto Playgrounds" and authorizing staff to re-advertise the project at a future date

Removed from Consent
21. Consider approving the plans and specifications for the Pelandale Intersection Improvements Project, accepting the bid and approving a $3,395,977.80 contract with George Reed, Inc., for the project titled, "Pelandale Intersection Improvements," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $4,511,545.00 which includes construction contingency, construction administration, engineering design, and land acquisition.
· Resolution approving the plans and specifications for the Pelandale Intersection Improvements Project, accepting the bid and approving a $3,395,977.80 contract with George Reed, Inc., for the project titled, "Pelandale Intersection Improvements," and authorizing the City Manager to execute the contract recommended.
· Resolution to amend the FY 2006 CIP Budget:
o To reduce Developer Reimbursement Project 1410-430-H476 by $400,000 and return those funds to Fund Balance to be reallocated to 1410-430-N496.
o To reduce Claratina: Coffee to Oakdale Project 1410-430-Q210 by $1,108,495 and return those funds to Fund Balance to be reallocated to 1410-430-N496.
o To allocate an additional $500,000 from CFF Fund Reserve 1410-800-8000-8003 to Pelandale Improvement Project 1410-430-N496.
o To close Prescott Improvements Project 2680-020-Q319 and return remaining funds to Pelandale/Snyder CFD Fund Balance to be reallocated and transferred to Pelandale Intersection Improvements 1410-430-N496.
· Resolution adopting an Initial Study for the Pelandale Intersection Improvements and Prescott / Snyder Traffic Signal E.A./E.T. No. 2003-21 in the City of Modesto, and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-371 (Dunbar/Keating; unan. Ridenour absent) approving the plans and specifications for the Pelandale Intersection Improvements Project, accepting the bid and approving a $3,395,977.80 contract with George Reed, Inc., for the project titled, "Pelandale Intersection Improvements," and authorizing the City Manager to execute the contract

ACTION: Resolution 2005-372 (Dunbar/Keating; unan. Ridenour absent) to amend the FY 2006 CIP Budget:
o To reduce Developer Reimbursement Project 1410-430-H476 by $400,000 and return those funds to Fund Balance to be reallocated to 1410-430-N496.
o To reduce Claratina: Coffee to Oakdale Project 1410-430-Q210 by $1,108,495 and return those funds to Fund Balance to be reallocated to 1410-430-N496.
o To allocate an additional $500,000 from CFF Fund Reserve 1410-800-8000-8003 to Pelandale Improvement Project 1410-430-N496.

To close Prescott Improvements Project 2680-020-Q319 and return remaining funds to Pelandale/Snyder CFD Fund Balance to be reallocated and transferred to Pelandale Intersection Improvements 1410-430-N496.

ACTION: Resolution 2005-373 (Dunbar/Keating; unan. Ridenour absent) adopting an Initial Study for the Pelandale Intersection Improvements and Prescott / Snyder Traffic Signal E.A./E.T. No. 2003-21 in the City of Modesto, and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document

CONSENT
22. Consider awarding a $121,596 agreement to RMC Water and Environment, Inc., (RMC) for professional services to prepare the 2005 Urban Water Management Plan and authorizing the City Manager to execute the agreement.
· Resolution awarding a $121,596 agreement to RMC Water and Environment, Inc., (RMC) for professional services to prepare the City's 2005 Urban Water Management Plan and authorizing the City Manager to execute the agreement recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2005-374 (Marsh/Keating; unan. Ridenour absent) awarding a $121,596 agreement to RMC Water and Environment, Inc., (RMC) for professional services to prepare the City's 2005 Urban Water Management Plan and authorizing the City Manager to execute the agreement.

CONSENT

23. Consider approving an Amendment to the Agreement with Carollo Engineering for Chief Plant Operator (CPO) Services to extend the agreement through May 2006 and increase the amount from "not to exceed" $48,755 to "not to exceed" $168,155, and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City.

· Resolution approving an Amendment to the Agreement with Carollo Engineering for Chief Plant Operator (CPO) Services to extend the agreement through May 2006 and increase the amount from "not to exceed" $48,755 to "not to exceed" $168,155, and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City recommended.

Public Works; Adam Denlinger, 577-6238, adenlinger@modestogov.com

ACTION: Resolution 2005-375 (Marsh/Keating; unan. Ridenour absent) approving an Amendment to the Agreement with Carollo Engineering for Chief Plant Operator (CPO) Services to extend the agreement through May 2006 and increase the amount from "not to exceed" $48,755 to "not to exceed" $168,155, and authorizing the City Manager, or his designee, to execute the Amendment on behalf of the City.

This item was removed from Agenda.

24. Consider accepting the proposal and approving a contract with EOA, Inc. for the development and implementation of a Stormwater Management Program for a one-year agreement with two one-year extension options in an amount not to exceed $365,000.

· Resolution accepting the proposal and approving a contract with EOA, Inc. for the development and implementation of a Stormwater Management Program for a one-year agreement with two one-year extension options in an amount not to exceed $365,000 and authorizing the City Manager, or his designee, to execute the contract recommended.

Public Works; Adam Denlinger, 577-6238, adenlinger@modestogov.com

ACTION: Removed from the agenda.

COUNCIL COMMENTS & REPORTS

25. At the request of Council Member Marsh consider referring to the Finance Committee the idea of paying for police and fire services in newly developing areas with annual Mello Roos District (CFD) taxes.

ACTION: By motion (Marsh/Hawn; unan Ridenour absent) referred to the Finance Committee.

HEARINGS

26. Hearing for Landscape Maintenance District No. 1 for Dry Creek Meadows Subdivision Nos. 1-6. to confirm the diagram and assessment, and levy the proposed assessment for fiscal year 2005-06. The proposed assessment for fiscal year 2005-06 is $19,500.00 (750 @ $26.00 per parcel), the same amount as Fiscal Year 2004-05.

· Resolution confirming the diagram and assessment, and levying the proposed assessment recommended.

Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-376 (Marsh/Hawn; unan. Ridenour absent) confirming the diagram and assessment, and levying the proposed assessment.

27. Hearing for Landscape Maintenance Assessment District No. 2 for Dry Creek Meadows Subdivisions Nos. 7 - 10, Creekwood Meadows Subdivision and Yosemite Meadows Subdivision Units 1 & 2 to confirm both the diagram and assessment, and levy the proposed assessment for Landscape Maintenance District No. 2 for fiscal year 2005-06. The proposed assessment for fiscal year 2005-06 is $14,544.01 ($108.39/acre for commercial or $21.33/each residential property).
· Resolution confirming the diagram and assessment, and levying the proposed assessment recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-377 (Marsh/Hawn; unan. Ridenour absent) confirming the diagram and assessment, and levying the proposed assessment.

28. Hearing to consider certifying the Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion and the City of Modesto Downstream Improvements.
· Resolution certifying the Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion and the City of Modesto Downstream Improvements recommended.
Public Works; Rich Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-378 (Hawn/Keating; unan.Ridenour absent) certifying the Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion and the City of Modesto Downstream Improvements.

NEW BUSINESS

29. Consider approving Amendment No. 2 to the advanced funding and reimbursement agreement of costs with the Modesto Irrigation District related to the phase two expansion of the Modesto Regional Water Treatment Plant
· Resolution approving Amendment No. 2 to the "Agreement relating to the Advanced Funding and Reimbursement of Costs related to the (Phase Two) Expansion of the Modesto Regional Water Treatment Plant", between the City and the Modesto Irrigation District, and authorizing the City Manager to execute the Amendment recommended.
· Resolution authorizing the Modesto Irrigation District to execute Amendment No. 3 to their existing agreement with the Black & Veatch Corporation in an amount not to exceed an additional $450,000, for a total agreement amount of $1,200,000, to provide additional Preliminary Engineering Design services related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant recommended.
Public Works; Richard D. Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-379 (Dunbar/Hawn; unan. Ridenour absent) approving Amendment No. 2 to the "Agreement relating to the Advanced Funding and Reimbursement of Costs related to the (Phase Two) Expansion of the Modesto Regional Water Treatment Plant", between the City and the Modesto Irrigation District, and authorizing the City Manager to execute the Amendment.

ACTION: Resolution 2005-380 (Dunbar/Hawn; unan. Ridenour absent) authorizing the Modesto Irrigation District to execute Amendment No. 3 to their existing agreement with the Black & Veatch Corporation in an amount not to exceed an additional $450,000, for a total agreement amount of $1,200,000, to provide additional Preliminary Engineering Design services related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 6:45 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One Case

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of a portion of the real properties located at the intersection of Sylvan Avenue and Roselle Avenue as part of the Sylvan/Roselle Roundabout Project as follows:

1. 3466 Roselle Avenue - APN: 085-001-044
2. 3521 Roselle Avenue - APN: 083-004-008
3. 3460 Roselle Avenue - APN: 085-001-042
4. 3449 Millbrook Avenue - APN: 085-001-032
5. 3500 Roselle Avenue - APN: 084-002-041

Negotiating parties: Steve Long, Acquisition Consultant for the City of Modesto

1. Edward Fernandes - APN: 085-001-044
2. Leonard Rorabaugh - APN: 083-004-008
3. William Huang, et al - APN: 085-001-042
4. Biddle/Laverty - APN: 085-001-032
5. 3500 Roselle Avenue - APN: 084-002-041

Under Negotiations: Price and terms of sale for property rights to be disposed

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of a portion of the real properties located at the intersections of Pelandale/Carver and Pelandale/Tully as apart of the Pelandale Signalization Project as follows:

1. Northeast corner of Carver Road and Pelandale Avenue - APN: 046-007-021
2. 1218 Bangs Avenue - APN: 046-002-001
3. 4305 Tully Road - APN: 046-007-037

Negotiating parties: Steve Long, Acquisition Consultant for the City of Modesto

1. Red Rock Ranch, Ltd. (APN: 046-007-021)
2. Alvin & William Luchessa (APN: 046-002-001)
3. Alvin & William Luchessa (APN: 046-007-037)

Under Negotiations: Price and terms of sale for property rights to be disposed

PETITION

Requesting the Institution of Proceedings for the

Establishment of a Community Facilities District

City of Modesto Community Facilities District No. 2004-1 (Village One #2)

The undersigned, being the owner of not less than ten percent of the area of land proposed to be included within the herein described community facilities district, hereby petitions the City Council of the City of Modesto, requesting the institution of proceedings for the establishment of a community facilities district within the City pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act").

The boundaries of the territory which is proposed for inclusion in the community facilities district are shown on the map attached hereto as Exhibit "A".

The types of facilities and services proposed to be financed by the community facilities district are described in Exhibit "B".

Dated: 2/23/04, 2004

OAKDALE PARK, LP

By: Hormoz Faryar
(Signature)

HORMOZ FARYAR General Partner
(Name & Title)

SF1 1387891v2 47922/29

EXHIBIT "B:

LIST OF FACILITIES

All facilities described herein are as presented in the Village One Facilities Master Plan ("FMP") update dated May 2003. Said master plan is incorporated herein by reference. The following descriptions summarize the facilities to be funded within CFD 2004-1.

A. Arterial Roads:

Included in the FMP are improvements to four arterial roads that will be funded by the CFD. They include Roselle Ave., from Briggsmore to the northern boundary of Village One (north of Sylvan), Floyd Ave. from Oakdale Rd. to Claus Rd., Oakdale Rd. from Briggsmore to Sylvan Ave., and Sylvan Ave. from Oakdale Rd. to Claus Rd. Also included in the CFD is partial funding for a pedestrian overcrossing on Sylvan Ave. to serve the new high school.

B. Storm Drain System:

The storm drainage system for Village One contains three detention basins:

1. West Basin: Dual-use basin that pumps water to the Central Basin.

2. Central Basin: Percolation/detention basin that pumps water to the MID Lateral #3 and may pump to Dry Creek via Claus Rd. at some time in the future.

3. East Basin: Dual-use basin that pumps water to Dry Creek via Claus Rd.

The facilities to be funded by the CFD include: basin property, trunk pipelines, force mains, pump stations, and other necessary appurtenances.

C. Parks:

Three neighborhood parks and one community park will be developed within the Village One Specific Plan area. The development of the parks will include the acquisition of land, park improvements and street frontage improvements for the Grogan Community Park, the Roselle Neighborhood Park, the Claus Neighborhood Park and the Merle Neighborhood Park.

In addition, buffer land for the community park is to be acquired, a bike trail is to be developed along MID Lateral No. 3, and a trail is to be developed along Claus Rd.

D. Public Facilities:

An area office for police is proposed within Village One. Funds are provided within the CFD for tenant improvements necessary to set up an area office.

E. Other:

Other costs associated with Village One include reimbursement to the City of Modesto for engineering of the Facilities Master Plan and planning related to the Village One Specific Plan, future annual administration costs for the CFD, and community signage for Village One.

LIST OF SERVICES

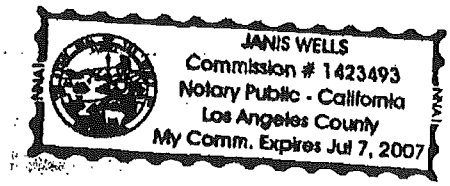
Included in this CFD is the maintenance of the Grogan Community Park, Roselle Neighborhood Park, Merle Neighborhood Park, Claus Neighborhood Park, arterial road parkway, median and roundabout landscaping, connector street parkway, median and roundabout landscaping, bike trails and storm drain facilities.

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

On February 23, 2004 before me, Janis Wells, Notary Public, personally appeared Hormoz Faryab, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person or persons whose name(s) are/is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature

[SEAL]

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT

PROPOSED BOUNDARIES OF CFD DISTICT
NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS,
STATE OF CALIFORNIA

MARCH, 2004

ASSOCIATED
ENGINEERING GROUP, INC.
4300 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-1350 • FAX: (209) 545-1371

BASIS OF BEARINGS:

THE BEARING OF SOUTH 00°39'48" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 2626 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929747) TO OBTAIN GRID DISTANCES, BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (B).

SCALE: 1" = 100'

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO
THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, HAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2004, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

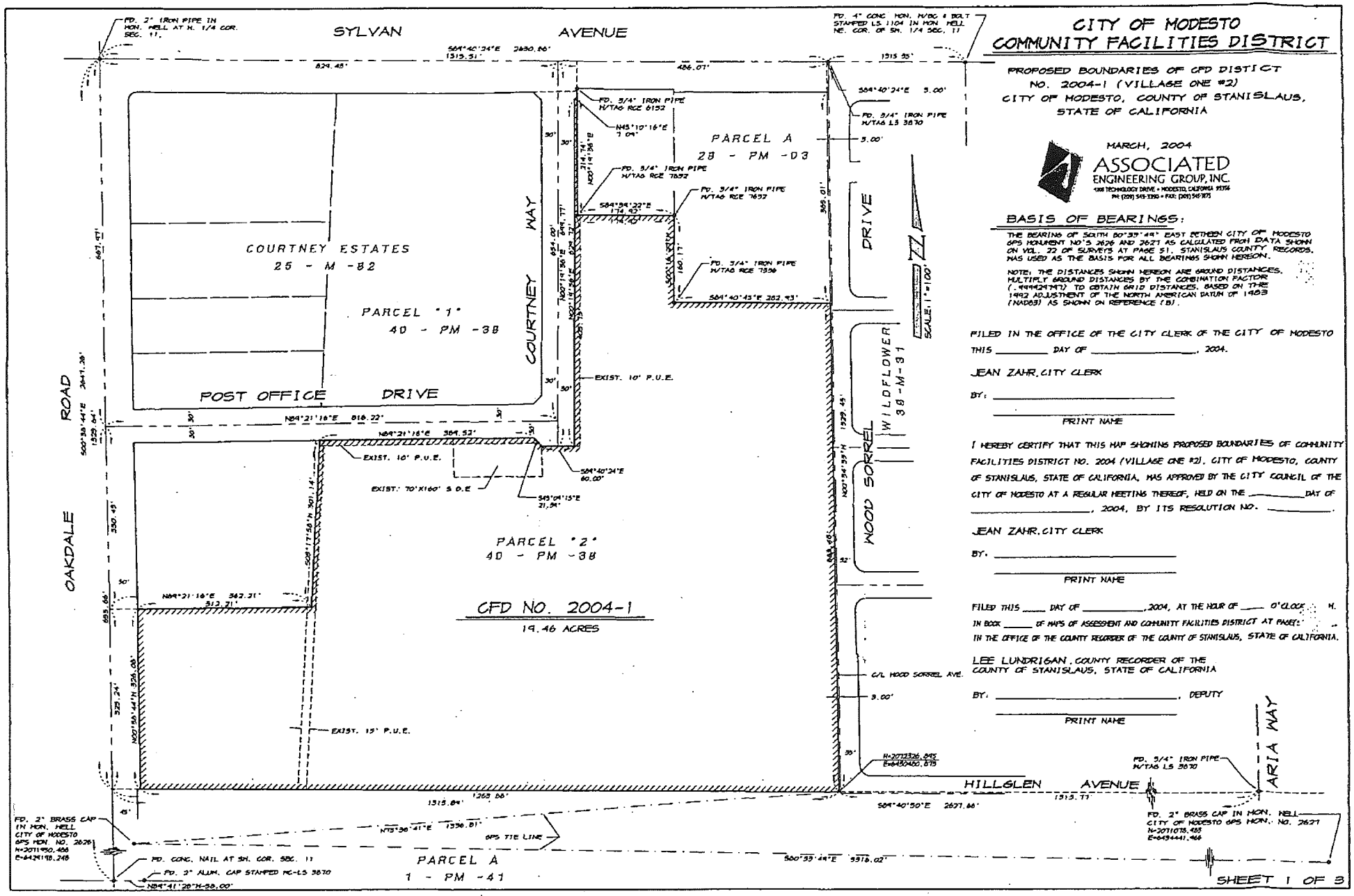
_____
PRINT NAME

FILED THIS ____ DAY OF _____, 2004, AT THE HOUR OF ____ O'CLOCK ____ M.
IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE: ____
IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____, DEPUTY

_____
PRINT NAME

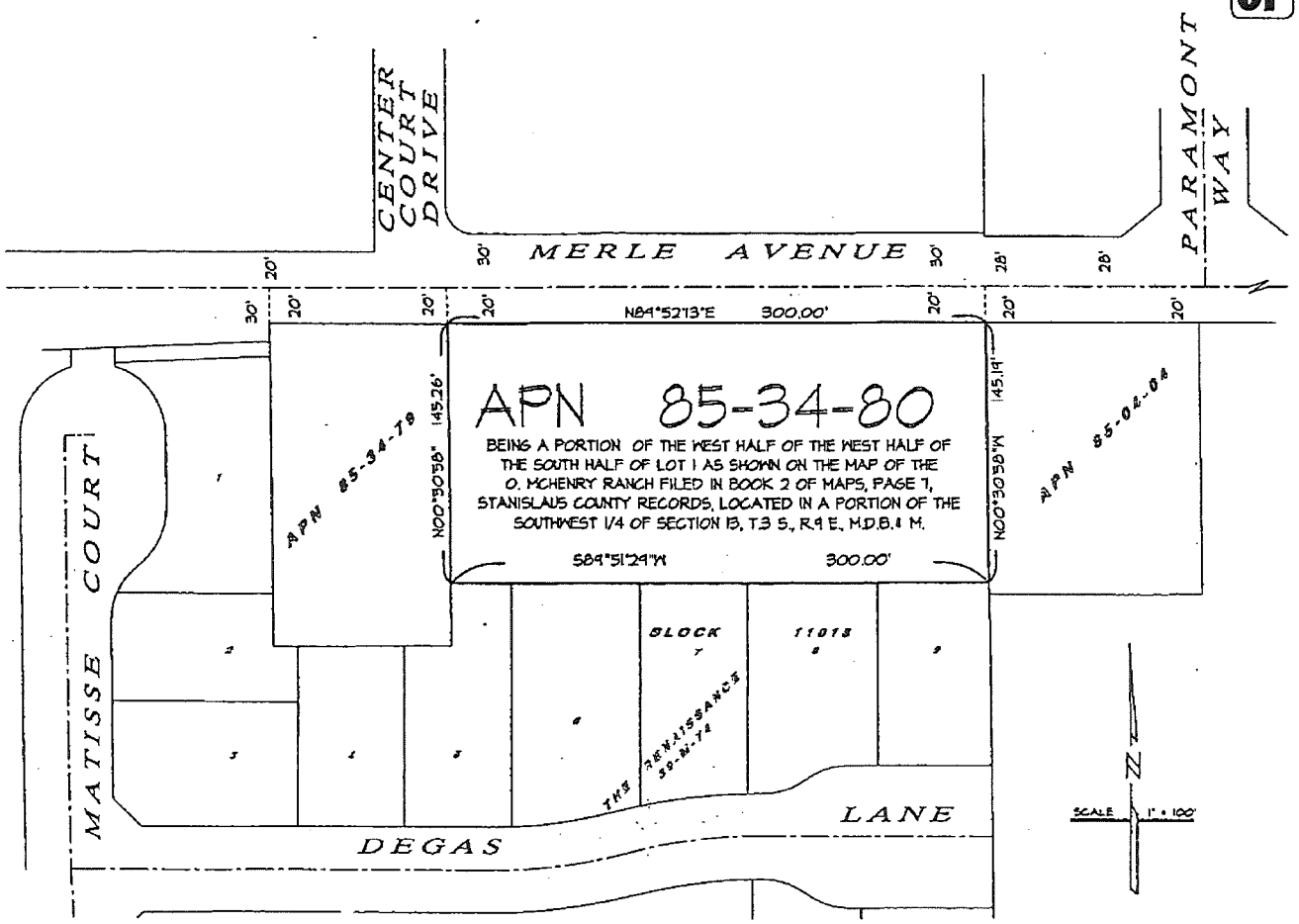


PROPOSED BOUNDARIES OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 529-7450



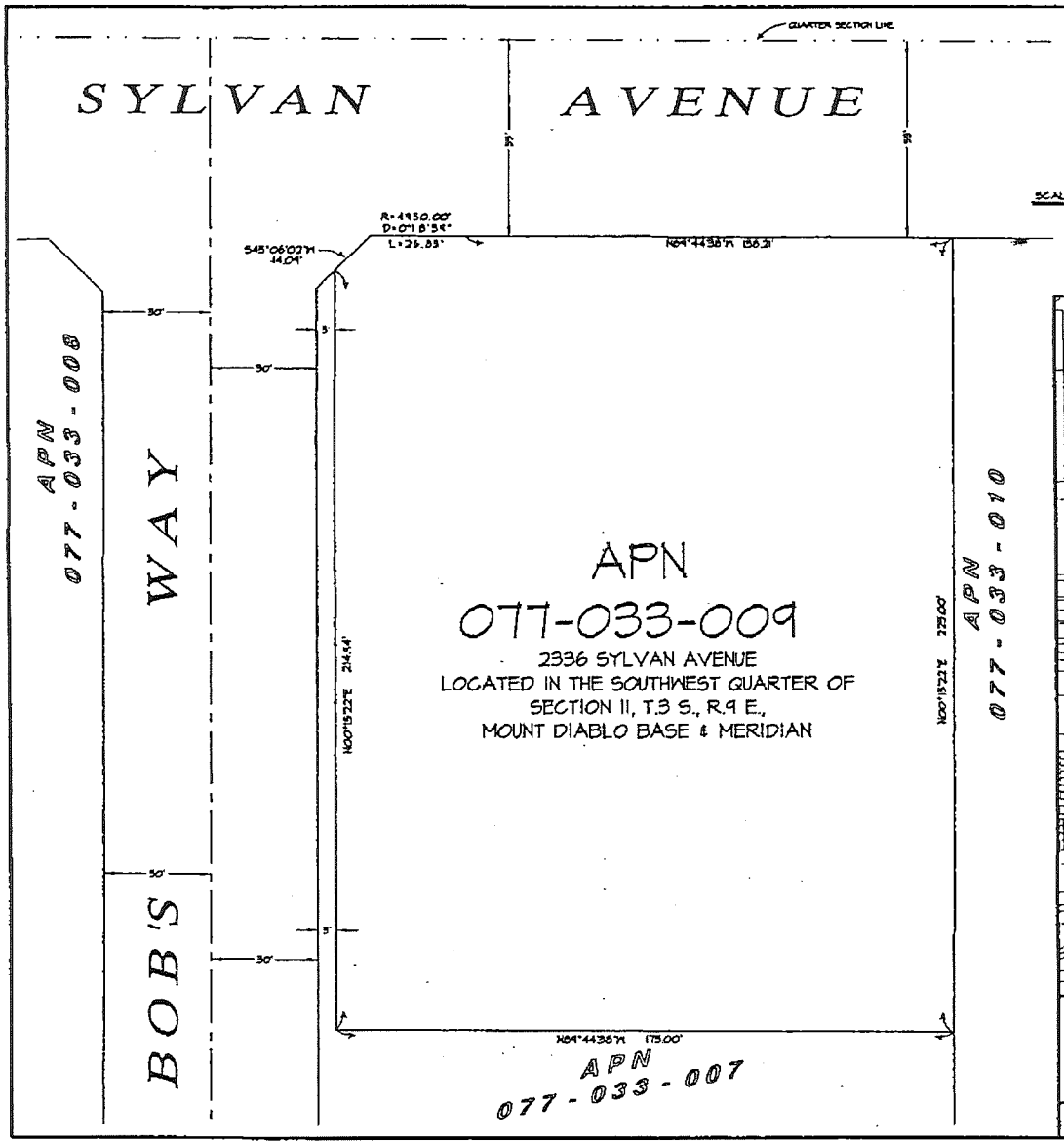
PROPOSED BOUNDARIES OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

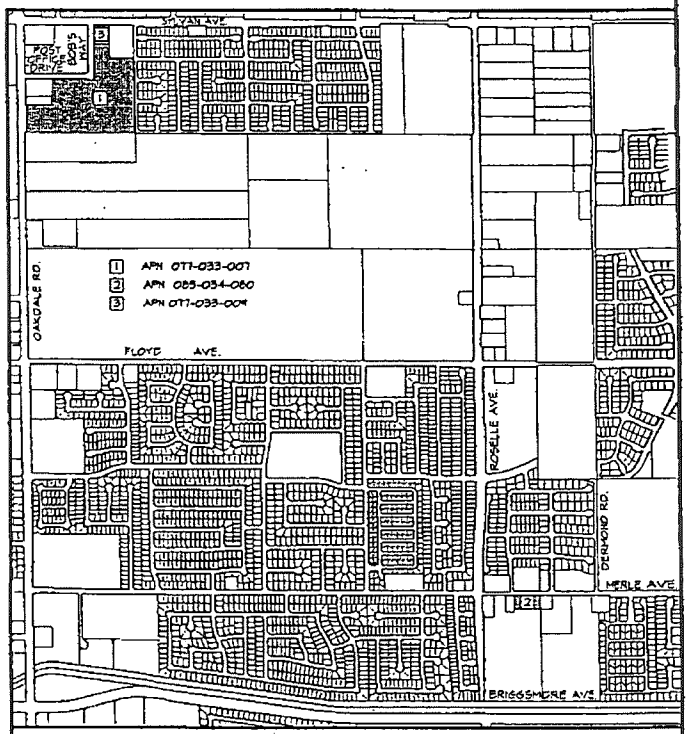
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA 95350
TELEPHONE (209) 529-7430

SCALE 1" = 50'





VICINITY MAP
(NO SCALE)

SHEET 3 OF 3 SHEETS

OAKDALE PARK L.P.
A.P. No. 077-033-007

WAIVER AND DECLARATION OF LANDOWNER OF PROPERTY PROPOSED TO BE INCLUDED IN COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowner") declares as follows:

1. The undersigned is the owner of APN 077-033-007 (the "Property") being land proposed to be included in Community Facilities District No. 2004-1 (Village One #2) ("the District"). The District is described by the boundary map attached as Exhibit A. The Landowner acknowledges that a special landowner election will be called within the District to approve the levy of special taxes on the real property therein, and to incur a bonded indebtedness for the District, and that the Landowner has had sufficient time to consider and reflect its choices in the election.

2. Landowner expressly waives:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the establishment of the District be held not less than 30 or more than 60 days after the adoption of the resolution of intention to establish the District;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the ordinance calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowner declares that **[Landowner to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereof is: _____

_____;

the name and address of the trustee is: _____

_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

4. The Landowner designates HORMOZ FARYAB as its authorized representative for the purpose of voting its interests at the special election. The designated representative's mailing address is: 1801 AVE of The Stars #1404, LA, CA 90067

Date: 3/19/04, 2004

LANDOWNER: OAKDALE PARK L.P.

By: Hormoz Faryab
Name: HORMOZ FARYAB
Title: General Partner

By: Mehrdad Farzinpour
Name: MEHRDAD FARZINPOUR
Title: General partner

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

MAGDY AND SALLY ELSAKR
A.P. No. 077-033-009

WAIVER AND DECLARATION OF LANDOWNER OF PROPERTY PROPOSED TO BE INCLUDED IN COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned landowners (the "Landowners") declare as follows:

1. The undersigned are the owners of APN 077-033-009 (the "Property") being land proposed to be included in Community Facilities District No. 2004-1 (Village One #2) ("the District"). The District is described by the proposed boundary map attached as Exhibit A. The Landowners acknowledge that a special landowner election will be called within the District to approve the levy of special taxes on the real property therein, and to incur a bonded indebtedness for the District, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the establishment of the District be held not less than 30 or more than 60 days after the adoption of the resolution of intention to establish the District;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the ordinance calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereof is: _____
_____;
the name and address of the trustee is: _____
_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

4. The Landowner designates Madgy Elsakr as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 201 Blossom View Pl, MOdesto, CA, 95356

Date: 3/19, 2004

LANDOWNERS: MAGDY AND SALLY ELSAKR

By: _____
Name: MAGDY ELSAKR
Title: Owner

By: _____
Name: Sally Elsakr
Title: Co-Owner

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

WSFL, INC.
A.P. No. 085-034-080

WAIVER AND DECLARATION OF LANDOWNER OF PROPERTY PROPOSED TO BE INCLUDED IN COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowner") declares as follows:

1. The undersigned is the owner of APN 085-034-080 (the "Property") being land proposed to be included in Community Facilities District No. 2004-1 (Village One #2) ("the District"). The District is described by the proposed boundary map attached as Exhibit A. The Landowner acknowledges that a special landowner election will be called within the District to approve the levy of special taxes on the real property therein, and to incur a bonded indebtedness for the District, and that the Landowner has had sufficient time to consider and reflect on its respective choices in the election.

2. Landowner expressly waives:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the establishment of the District be held not less than 30 or more than 60 days after the adoption of the resolution of intention to establish the District;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the ordinance calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowner declares that **[Landowner to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereof is: _____
_____;
the name and address of the trustee is: _____
_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

4. The Landowner designates Peter Palomino as its authorized representative for the purpose of voting its interests at the special election. The designated representative's mailing address is: 6420 7th Street, Riverbank, CA 95367.

Date: March 19, 2004

LANDOWNER: WSFL, INC.

By: Warren S. Lawson
Name: WARREN S. LAWSON
Title: Corp. President

By: _____
Name: _____
Title: Corp Sec. (VA)

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1389149v4 47922/29

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of *Eighteen years, and not a party to or interested* In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO,** County Of **STANISLAUS,** State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

MARCH 30, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

MARCH 30, 2004

Esther J. Meney

(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING ON THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #1) AND THE NECESSITY TO INCUR A BONDED INDEBTEDNESS THEREIN

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on March2, 2004, adopt its Resolution No.2004127 wherein the City declared its intention to establish its Community Facilities District No.2004 1 (Village One #2) (the "District") for the purpose of financing certain public facilities (the "Facilities") and services (the "Services") and the incidental expenses related thereto and, subject to the vote of the qualified electors therein, authorizing the levy of special taxes in the District, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

A description of the rate, method of apportionment and manner of collection of the special taxes is attached as Exhibit A to Resolution No.2004127. Descriptions of the Facilities and the Services are attached as ExhibitsB and C, respectively, to Resolution No.2004127. A complete copy of Resolution No.2004127 and the boundary map of the proposed District are on file with the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353, and are available for review there during business hours by any interested persons.

NOTICE IS ALSO GIVEN that the Council did, on March2, 2004, also adopt its Resolution No.2004-128, wherein the City declared its intention to incur, subject to the vote of the qualified electors in the District, a bonded indebtedness in an amount not to exceed $75,000,000 in order to finance the cost of the Facilities to be financed by the District, and the incidental expenses thereof, under and pursuant to the terms and provisions of the Act.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on the establishment of the District and the proposed rate, method of apportionment and manner of collection of the special taxes. The time and place for the hearing is Tuesday, April6, 2004, at 5:30 p.m., or as soon thereafter as practicable, in the City Council Chambers, Basement Level, 1010Tenth Street, Modesto, California.

At the hearing the testimony of all interested persons, including taxpayers, property owners, and registered voters within the boundaries of the proposed District, for or against the establishment of the District, the extent of the District, the rate, method of apportionment and manner of collection of the special taxes, or the furnishing of the Facilities or Services, will be heard. Protests may be made orally or in writing. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time set for the hearing. The Council may waive any irregularities in the form or content of any written protest and, at the hearing, may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is more, residing within the territory proposed to be included in the District, or the owners of onehalf (1/2) or more of the area of the land in the territory proposed to be included in the District and not exempt from the special taxes, file written protests against the establishment of the District, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to create the District, or to levy the specified special taxes, will be taken for a period of one year from the date of the decision of the Council.

If the majority protests of the registered voters or the landowners are only against the furnishing of a specified type or types of Facilities or Services within the District, or against levying a specified special tax, those types of Facilities or Services or the specified special tax will be eliminated from the District proceedings.

At the hearing any person interested, including all persons owning property within the proposed District, will also be heard upon the proposed bonded indebtedness or any other matters set forth in Resolution No.2004-128, and they may present any matters relating to the necessity for incurring the bonded indebtedness to finance the costs of the Facilities and the incidental expenses thereof.

At the conclusion of the hearing, if the Council determines to establish the District and levy the special taxes within the District, it will adopt a resolution of formation, in which case it will submit the levy of the special taxes to the qualified electors of the District in a special election. If at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the proposed District for each of the 90 days preceding the close of the public hearing, the vote shall be by registered voters of the District, with each voter having one vote. Otherwise, the vote will be by mailed ballot by the landowners of the proposed District, with each landowner who is the owner of record at the close of the public hearing having one vote for each acre or portion of an acre of land owned within the District.

Likewise, if the Council determines to incur the bonded indebtedness, it will adopt a resolution calling an election thereon, in which case it will submit the bond proposition to the qualified electors of the District in a special election. The election will be consolidated with the election on the levy of the special taxes.

Dated: March 2, 2004
By: Jean Zahr
City Clerk
MARCH 30, 2004

67.52

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO,** County Of **STANISLAUS,** State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

APRIL 12, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

APRIL 12, 2004

Esther Jimenez
(Signature)

CITY OF MODESTO

ORDINANCE NO. 3345-C.S.
ORDINANCE NO. 3346-C.S.
ORDINANCE NO. 3347-C.S.

The following Ordinances were introduced by the City Council of the City of Modesto at the Council meeting of April 6, 2004:

Ordinance 3345-C.S. – an ordinance of the City Council of the City of Modesto authorizing the levy of special taxes within City of Modesto Community Facilities District No. 2004-1 (Village One #2)

Ordinance 3346-C.S. – an ordinance amending Section 8-4-9 of the Zoning Map of the City of Modesto prezoning 1.854 acres of property located on the north side of Glenn Avenue and west of Gutherie Street to Low Density Residential zone, R-1. (Modesto City Schools)

Ordinance 3347- C.S. – an ordinance amending Section 3-3-9 of the Zoning Map to rezone from Specific Plan Overlay Zone, SP-O, to Planned Development Zone, P-D(565), property located at the northeast corner of Coffee Road and Mable Avenue. (Valley Associated Urology Medical Group)

Copies of the above-mentioned ordinance are posted at the following locations:

- Tenth Street Place, 1010 10th Street
- King-Kennedy Center, 601 N. Martin Luther King Drive
- Fire Station, 2700 Standiford Avenue
- Fire Station, 635 El Vista
- Recreation Division Office, 720 Coldwell

JEAN ZAHR
City Clerk
APRIL 12, 2004

CITY OF MODESTO

CERTIFICATE OF CITY CLERK REGARDING
POSTING OF ORDINANCE

I, Jean Zahr declare that:

1. I am the City Clerk in the City of Modesto, California.

2. On April 20, 2004, I caused to be posted a copy of Ordinance No. 3345-C.S. in the following four prominent and distinct locations in the City:

a. King-Kennedy Center, 601 N. Martin Luther King Drive

b. Fire Station #3, 635 El Vista Avenue

c. Fire Station #6, 2700 Standiford Avenue

d. Recreation Division Office, 720 Coldwell Avenue

3. I certify under penalty of perjury that the foregoing is true and correct.

Jean Zahr
Signature

June 8, 2004
Date of Execution

Modesto, CA
Place of Execution

SF1 1394967v2 47922/29

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

CFD REPORT

March 31, 2004

Prepared By:

GOODWIN CONSULTING GROUP, INC.
701 University Avenue, Suite 225
Sacramento, California 95825
(916) 561-0890

Table of Contents

I. *INTRODUCTION AND BACKGROUND INFORMATION*

A. THE VILLAGE ONE SPECIFIC PLAN

The Village One Specific Plan encompasses approximately 1,840 gross acres of land within the City of Modesto, on which a pedestrian-oriented, mixed-use, planned community is anticipated to be developed. To date, approximately 630 acres of residential property have been developed or vested to develop, representing 2,953 residential lots. A total of 519 adjusted gross residential acres remain to be developed and are expected to include 87 low density units, 1,990 village residential units, 856 multi-family units, and 300 multi-family senior units. All village residential units are expected to absorb within the next five years, and the multi-family units are expected to be completed by 2011 based on current market conditions. Approximately 15 adjusted gross acres of commercial property and 220 adjusted gross acres of industrial property remain to be built.

B. THE VILLAGE ONE INFRASTRUCTURE FINANCING PLAN

In April 2003, the Modesto City Council approved an updated Village One Infrastructure Financing Plan (IFP), which set forth a strategy for the remaining unvested development in Village One to fund infrastructure and community facilities needed to serve the build out population within the Specific Plan area. The IFP contemplates a combination of Mello-Roos one-time and annual special taxes to generate funding for both public facilities and public services. As discussed further below, Community Facilities District No. 2004-1 (Village One #2) is being formed to implement the strategy set forth in the IFP.

C. THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

As described in the Rate and Method of Apportionment (the "RMA") provided in Appendix A, public services and facilities required to serve the Village One Specific Plan area will be funded using the Mello-Roos Community Facilities Act of 1982 (the "Act"). The Act provides flexibility as to the facilities and services that can be funded and the manner in which annual funding burdens are allocated to various types of land use. There is no benefit finding required; the Act states that special taxes can be allocated in any "reasonable manner". The Act permits a city, county or special district to form a Community Facilities District ("CFD") within its jurisdiction and, with a two-thirds vote within the CFD, impose special taxes to pay for public improvements and services needed to serve the area.

A CFD may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property with an estimated useful life of five years or longer, which is needed to meet increased demands placed upon local agencies as a result of development occurring within the CFD. A CFD may also finance the costs of planning, design, engineering, legal assistance and other consultants involved in the construction of improvements or formation of the CFD. The facilities financed by the CFD do not have to be physically located within the CFD. A CFD may also fund maintenance of parks, parkways, open space, police and fire services, recreation program services,

library services, maintenance of school sites and structures, and maintenance of storm drainage and flood control facilities.

D. PURPOSE OF CFD REPORT

This CFD Report is submitted pursuant to Section 53321.5 of the Mello-Roos Community Facilities Act of 1982, as well as the direction set forth in the first resolution adopted by the Modesto City Council in the process of forming CFD No. 2004-1. The law requires only a brief description of the public facilities and services to be funded by the CFD, as well as an estimate of the cost of providing the facilities and services. However, this report will also provide information regarding the special taxes to be levied and collected in the CFD, the boundaries of the CFD, and anticipated bond sales.

II. COMMUNITY FACILITIES DISTRICT NO. 2004-1

A. BOUNDARIES OF THE CFD

On March 2, 2004, the Modesto City Council adopted Resolution No. 2004-127, a Resolution declaring its intention to establish the City of Modesto Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of a special tax within the CFD. A map identifying the boundaries of the CFD was recorded on Page 85 of Book 3 of Maps and Assessments in the Stanislaus County Recorder's Office.

On April 6, 2004, the City Council will hold a public hearing and allow the qualified electors to vote on the matter. If at least two-thirds of the votes submitted by the landowners are in favor of the CFD, the CFD will be formed and the levy of a special tax will be authorized. The CFD will also be authorized to issue up to $75,000,000 million in bonds to fund the construction or acquisition of public facilities identified in Appendix A of this report.

The initial boundaries of CFD No. 2004-1 will include three existing Assessor's parcels--parcel numbers 77-33-07, 77-33-09, and 85-34-80. These three parcels include approximately 17.23 acres of village residential property and 4.17 acres of commercial property. Additional parcels will be annexed into the CFD as unvested property within the Village One Specific Plan begins to develop. The list of facilities in Appendix A includes all public improvements which may be funded by the CFD if property annexes into the CFD and the ultimate bonding and special tax capacity is sufficient to do so.

B. CFD BOND ISSUES

Some or all of the public facilities shown in Appendix A will be funded by the issuance of one or more series of bonds. The proceeds of the bonds will be used to either acquire facilities which have been constructed by developers owning property within the CFD or to pay directly for the construction of authorized facilities. The bonds are anticipated to have a 25 or 30-year term and an annual debt service that escalates two percent per year. The bonds are land-secured, which means the ultimate security for repayment of the bonds is the land within the CFD. As such, the City will covenant in the indenture associated with issuance of the bonds that, in the event of special tax delinquencies within the CFD, the City will institute an accelerated foreclosure process against the delinquent parcel or parcels.

There is no guarantee that CFD No. 2004-1 will be able to sell bonds in an amount sufficient to fully fund all of the improvements authorized to be funded be the CFD. The ability of the CFD to sell bonds is limited by the amount of property that ultimately annexes into the CFD, the maximum special tax rate on properties in the CFD, and the value-to-lien ratio. The bond authorization and maximum special tax rates are based, in part, on cost estimates for specific projects. If the cost estimates prove to be too low, the CFD will be able to fund even less improvements than originally anticipated.

C. SPECIAL TAX STRUCTURE

Capitalized terms used in this section and the remainder of this report are defined in the Rate and Method of Apportionment of Special Tax (RMA) provided in Appendix B. The RMA outlines the maximum rates and method of apportionment for the three Special Taxes that will be levied in the CFD; the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax. The RMA identifies the Maximum Special Tax assigned to each Original Parcel within the CFD. Upon subdivision of an Original Parcel, the Special Tax will be allocated based on the number of units created by a Subdivision Map if Single Family Detached Lots are created, or by net acreage of Taxable Property for all other subdivisions that do not create Single Family Detached Lots. After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

The One-Time Facilities Special Tax for CFD No. 2004-1 will be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not paid by the time the permit is issued.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 is expected to be collected at the same time and in the same manner as ad valorem property taxes. The Annual Facilities Special Tax will be levied until all bonds have been repaid and all authorized facilities have been funded, and shall cease to be levied after fiscal year 2060-61. The Annual Facilities Special Tax obligation assigned to a particular parcel within the CFD can be prepaid, which will release the parcel making the prepayment from the Mello-Roos special tax lien for facilities. The Annual Maintenance Special Tax obligation may not be prepaid. Section H of the RMA sets forth a detailed formula by which the prepayment for a parcel can be calculated.

III. FACILITIES AND SERVICES TO BE FUNDED BY CFD NO. 2004-1

The facilities and services described below are authorized to be funded by CFD No. 2004-1 and are required to adequately meet the needs of the Village One Specific Plan. Depending on the net construction proceeds ultimately generated from bonds issued on behalf of CFD No. 2004-1, some of the facilities may be funded from One-Time Facilities Special Taxes.

A. AUTHORIZED FACILITIES

Attachment A of this report provides a list of facilities that are authorized to be funded by CFD No. 2004-1. This list includes all public improvements that may be funded by the CFD, although the IFP anticipates that maximum special tax proceeds may not be sufficient to fund certain facilities which were designated by the City Council as a lower priority than other improvements. As shown in Attachment A, authorized facilities generally fall within the following five categories:

- Traffic improvements, including intersection and roadway improvements
- Storm drainage facilities
- Park and related facilities
- Public facilities
- Miscellaneous improvements

B. AUTHORIZED SERVICES

Authorized services include maintenance of parks, parkways, and open space, and maintenance of the storm drainage basin and related facilities.

C. FACILITY COSTS

Appendix A identifies the total facility costs that will be required once all future annexations in CFD No. 2004-1 have taken place. These cost estimates include soft costs, a cost contingency, and an administrative cost component. As discussed in the IFP, a portion of the facility costs shown in Appendix A will be funded by revenues that will be collected from property that is already vested to develop and, therefore, not included in CFD No. 2004-1. In addition, certain park improvements will be funded by a combination of bond proceeds from CFD No. 2004-1 and fee revenues collected within the City's Capital Facilities Fee program.

D. SERVICE COSTS

Similar to the facility costs described above, Table 1 below shows the maintenance costs expected within the CFD once all annexations have occurred.

Table 1

Service Item	Estimated Cost (2002 $)
Landscaping	$851,514
Park	$180,129
Weed and Litter Abatement	$5,436
Storm Drainage Basins	
Landscaping	$233,744
Maintenance	$104,578
City Administration Contingency	$33,514
Subtotal	**$1,408,915**
Less: Vested Revenues	**($ 497,901)**
Net Costs to CFD No. 2004-1	**$ 911,014**

E. INCIDENTAL EXPENSES

In addition to the facility and service costs listed above, bond proceeds and special taxes will be used to pay incidental expenses related to the sale of bonds, such as the cost of bond counsel, underwriter, financial advisor, appraiser, special tax consultant, City staff time, and CFD administrative costs. Because the City has not yet started preparing for issuance of the first series of bonds, there is not currently a cost estimate for these incidental expenses. However, such expenses generally make up approximately five percent (5%) of the total amount of bonds issued.

APPENDIX A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

AUTHORIZED FACILITIES AND COST ESTIMATES

Modesto Village One
Remaining Infrastructure Costs
Base Case Land Use Scenario

Future CFD Funded Projects

CIP Number		Construction Cost	Design (10%)	2002 Estimate to Complete /1 Contingency & CM/ Inspection (25%) /2	Land Acquisition	Administration (8.5%)	Total Cost
	TRAFFIC						
	Intersections						
INT-001	Sylvan and Oakdale	$865,960	$86,596	$216,490	$1,244,500	$73,607	$2,487,153
INT-002	Sylvan and Litt	$509,105	$50,911	$127,276	$178,500	$43,274	$909,066
INT-003	Sylvan and Aria	$420,431	$42,043	$105,108	$159,000	$35,737	$762,318
INT-004	Oakdale and Road G	$487,930	$48,793	$121,983	$88,500	$41,474	$788,680
INT-005	Oakdale and Floyd	$942,410	$94,241	$235,603	$269,500	$80,105	$1,621,858
INT-006	Oakdale and Briggsmore	$50,220	$5,022	$12,555	$16,500	$4,269	$88,566
INT-007	Roselle and Merle	$125,950	$12,595	$31,488	$105,000	$10,706	$285,738
INT-008	Roselle and BelHarbour (Includes Roselle to Roselle/Floyd Intersection)	$467,460	$46,746	$116,865	$54,000	$39,734	$724,805
INT-009	Roselle and Floyd	$1,336,100	$133,610	$334,025	$261,000	$113,569	$2,178,304
INT-010	Roselle and Sylvan	$1,240,275	$124,028	$310,069	$212,500	$0 /3	$1,886,871
INT-011	Claus and Sylvan	$596,685	$59,669	$149,171	$79,500	$50,718	$935,743
	Roads						
RD-001A	Sylvan Avenue - Oakdale to Wood Sorrel- South Side	$598,560	$59,856	$149,640	$562,000	$50,878	$1,420,934
RD-001B	Sylvan Avenue - Oakdale to Aria - North Side	$922,675	$92,268	$230,669	$226,500	$78,427	$1,550,539
RD-002	Sylvan Avenue - Wood Sorrel to Aria - South Side	$312,780	$31,278	$78,195	$382,000	$6,221 /4	$810,474
RD-003	Sylvan Avenue - Aria to Roselle	$1,138,845	$113,885	$284,711	$357,000	$96,802	$1,991,243
RD-004A	Sylvan Avenue - Roselle to Millbrook - South Side	$460,570	$46,057	$115,143	$154,500	$0 /3	$776,270
RD-004B	Sylvan Avenue - Roselle to School Property Line - North Side	$781,060	$78,106	$195,265	$181,500	$66,390	$1,302,321
RD-005	Sylvan Avenue - Litt to Claus - North Side	$856,815	$85,682	$214,204	$213,000	$72,829	$1,442,530
RD-006	Construct Pedestrian Overcrossing (including crash cushion) on Sylvan Avenue	$1,142,300	$114,230	$285,575	$0	$97,096	$1,639,201
RD-007	Floyd Avenue - Oakdale to Roselle	$2,376,250	$237,625	$594,063	$903,000	$0 /3	$4,110,938
RD-008	Floyd Avenue - Roselle to Millbrook	$1,256,350	$125,635	$314,088	$247,500	$106,790	$2,050,362
RD-009	Floyd Avenue - Millbrook to Fine	$2,025,940	$202,594	$506,485	$52,500	$172,205	$2,959,724
RD-010	Floyd Avenue - Fine to Claus	$1,055,925	$105,593	$263,981	$463,500	$89,754	$1,978,752
RD-011	Oakdale Road - Briggs to Floyd	$25,680	$2,568	$6,420	$0	$2,183	$36,851
RD-012	Oakdale Road - Floyd to Road G	$698,445	$69,845	$174,611	$199,500	$59,368	$1,201,769
RD-013	Oakdale Road - Road G to Sylvan	$567,925	$56,793	$141,981	$240,000	$48,274	$1,054,972
RD-014	Roselle Avenue - Briggsmore to Merle	$17,010	$1,701	$4,253	$0	$1,446	$24,409
RD-015	Roselle Avenue - Floyd to Sylvan	$1,953,720	$195,372	$488,430	$565,500	$166,066	$3,369,088
RD-016	Roselle Avenue - North of Sylvan	$1,303,940	$130,394	$325,985	$297,000	$110,835	$2,168,154
	Total Traffic	**$24,537,316**	**$2,453,732**	**$6,134,329**	**$7,713,500**	**$1,718,754**	**$42,557,630**

Modesto Village One
Remaining Infrastructure Costs
Base Case Land Use Scenario

Future CFD Funded Projects

CIP Number		Construction Cost	Design (10%)	Contingency & CM/ Inspection (25%) /2	Land Acquisition	Administration (8.5%)	Total Cost
				2002 Estimate to Complete /1			
	STORM DRAINAGE						
SD-201	West Basin fencing of lower tier	$28,000	$2,800	$7,000		$0 /3	$37,800
SD-202A	West Basin-90" RCP	$230,000	$23,000	$57,500		$0 /3	$310,500
SD-202B	West Basin-48" RCP	$8,400	$840	$2,100		$0 /3	$11,340
SD-202C	West Basin-78" RCP	$270,000	$27,000	$67,500		$0 /3	$364,500
SD-202D	West Basin-northerly inlet structure	$50,000	$5,000	$12,500		$0 /3	$67,500
SD-203A	West Basin-66" RCP	$25,410	$2,541	$6,353		$0 /3	$34,304
SD-203B	West Basin-southerly inlet structure	$50,000	$5,000	$12,500		$0 /3	$67,500
SD-204	West Basin forebay,low flow channel, maintenance road and 30" pipe to pump s	$40,000	$4,000	$10,000		$0 /3	$54,000
SD-205	Hillglen Ave. 60" RCP from Roselle to Esta	$376,800	$37,680	$94,200	$100,000	$0 /3	$608,680
SD-206	Central Basin inlet structures and energy dissipator	$80,000	$8,000	$20,000		$0 /3	$108,000
SD-207	Force Main from West Basin to Central Basin (24" PVC (C-905))	$779,000	$77,900	$194,750		$0 /3	$1,051,650
SD-209	West Basin Pump Station	$376,000	$37,600	$94,000		$0 /3	$507,600
SD-210A	Central Basin Pump Station	$270,000	$27,000	$67,500		$0 /3	$364,500
SD-210B	Central Basin-force main to MID canal	$40,000	$4,000	$10,000		$0 /3	$54,000
SD-210C	Central Basin-forebay, low flow channel, 30" pipe to pump station	$40,000	$4,000	$10,000		$0 /3	$54,000
SD-210D	Central Basin-1000' maintenance access road	$42,000	$4,200	$10,500		$0 /3	$56,700
SD-211	Central Basin property purchase-payback to storm drain fund	$634,750	$0	$0		$0 /5	$634,750
SD-212	30" RCP from Merle to Central Basin (C-107 to basin)	$73,500	$7,350	$18,375		$6,248	$105,473
SD-213	East Basin Property Acquisition	$0	$0	$0	$2,500,000	$0	$2,500,000
SD-214	Landscape West Basin per RHAA plan	$1,112,000	$111,200	$278,000		$0 /3	$1,501,200
SD-215	7 AC-ft retention basin on Grogan Park	$60,000	$6,000	$15,000		$5,100	$86,100
SD-216	6 AC-ft retention basin on Merle Park	$50,000	$5,000	$12,500		$4,250	$71,750
SD-217	36" RCP overflow line from Fine to Merle Park	$151,200	$15,120	$37,800		$12,852	$216,972
SD-218	24" RCP (C-165-C-109, CDM Report) Merle Park to Merle	$67,200	$6,720	$16,800		$5,712	$96,432
SD-219A	East Basin Construction	$1,500,000	$150,000	$375,000		$127,500	$2,152,500
SD-219B	East Basin Landscaping	$1,742,400	$174,240	$435,600		$148,104	$2,500,344
SD-220	Claus Rd. trunk line from Floyd to East Basin (to be designed later)	$2,000,000	$200,000	$500,000		$170,000	$2,870,000
SD-221	East Basin Pump Station	$400,000	$40,000	$100,000		$34,000	$574,000
SD-222	Force Main from Central Basin to Claus Rd. line	$400,000	$40,000	$100,000		$34,000	$574,000
SD-223	30" RCP (W-21 to W-22, CDM Report) Hillglen	$89,250	$8,925	$22,313		$7,586	$128,074
SD-224	36" RCP (W-107 to W-105, CDM Report)Kodiak	$138,600	$13,860	$34,650		$11,781	$198,891
SD-225	48" RCP (W-105 to W-101, CDM Report) Kodiak	$268,800	$26,880	$67,200		$22,848	$385,728
SD-227	42" RCP at Floyd & Fine	$30,150	$3,015	$7,538		$2,563	$43,265
SD-228	Merle Ave. -Central Basin frontage	$96,000	$9,600	$24,000		$8,160	$137,760
SD-229	Force Main from East Basin to Claus Rd. line	$100,000	$10,000	$25,000		$8,500	$143,500
SD-300	Bear Cub Lane, Kodiak Dr., Hillglen Ave.-West Basin & Ustach Park frontage	$899,000	$89,900	$224,750		$0 /3	$1,213,650
	Less Monies Expended on Storm Drain (Phases 1-3), Hillglen Ave. & Bear Cub Lane						($265,749)
	Total Storm Drain	**$12,518,460**	**$1,188,371**	**$2,970,928**	**$2,600,000**	**$609,204**	**$19,621,213**

Modesto Village One
Remaining Infrastructure Costs
Base Case Land Use Scenario

Future CFD Funded Projects

CIP Number		Construction Cost	Design (10%)	2002 Estimate to Complete /1 Contingency & CM/ Inspection (25%) /2	Land Acquisition	Administration (8.5%)	Total Cost
	PARKS						
PK-001a	Grogan Community Park - Phase 1 & 2 /6	$4,841,000	$0	$1,210,250	Completed	$411,485	$6,462,735
PK-001b	Grogan Community Park - Phase 3 & 4 /6	$3,305,200	$0	$826,300	Completed	$280,942	$4,412,442
PK-002	Buffer	$0	$0	$0	$213,100	$0	$213,100
PK-003	Ustach Neighborhood /6	$495,837	$0	$123,959	Completed	$19,125 /4	$638,921
PK-004	Claus Neighborhood /6	$632,747	$0	$158,187	Completed	$53,783	$844,717
PK-005	Merle Neighborhood /6	$759,780	$0	$189,945	Completed	$64,581	$1,014,306
PK-006	Bike Tail MID Lat. No. 3	$950,000	$291,600	$237,500	Completed	$80,750	$1,559,850
PK-007	Claus Urban Expressway Trail	$1,500,000	$453,600	$375,000	$2,500,000	$127,500	$4,956,100
	Total Parks	**$12,484,564**	**$745,200**	**$3,121,141**	**$2,713,100**	**$1,038,166**	**$20,102,171**
	PUBLIC FACILITIES						
PD-001	Police	$27,472	$0	$0	$0	$2,335	$29,807
	MISC						
M-001	Planning Recoup	$759,350	$0	$0	$0	$0 /5	$759,350
M-002	Monumentation and Signage	$500,000	$0	$0	$0	$0 /5	$500,000
M-003	Property Acquisition Contingency	$940,500	$0	$0	$0	$0 /5	$940,500
	Total Misc	**$2,199,850**	**$0**	**$0**	**$0**	**$0**	**$2,199,850**
	Total Cost of Infrastructure:	**$51,767,662**	**$4,387,303**	**$12,226,398**	**$13,026,600**	**$3,368,459**	**$84,510,672**
	Total:				$81,407,962	$3,368,459	$84,776,421

/1 Land acquisition costs have been adjusted to reflect 2004 estimates.
/2 Includes 15% contingency and 10% for CM/inspection.
/3 Facilities are funded through vested property revenues and are therefore not subject to the 8.5% admin expense.
/4 Portions of the facility are included in Priority 1 and funded with vested revenue. The 8.5% admin cost is applied to the remaining portion of the facility not funded with vested revenue.
/5 City staff indicates these facilities do not have an admin component.
/6 Parks are funded by both CFD and CFF. Park design is funded by CFF.

APPENDIX B

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1 or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an

Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated

Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1 means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2 means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of

Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.

1. Original Parcels

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of approval of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the

Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. Successor Parcels

a. *All Successor Parcels are Single Family Detached Lots*

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. *No Successor Parcels are Single Family Detached Lots*

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to

allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special

Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source

if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or

collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities

Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"**Defeasance Requirement**"*).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"**Administrative Fees and Expenses**"*).

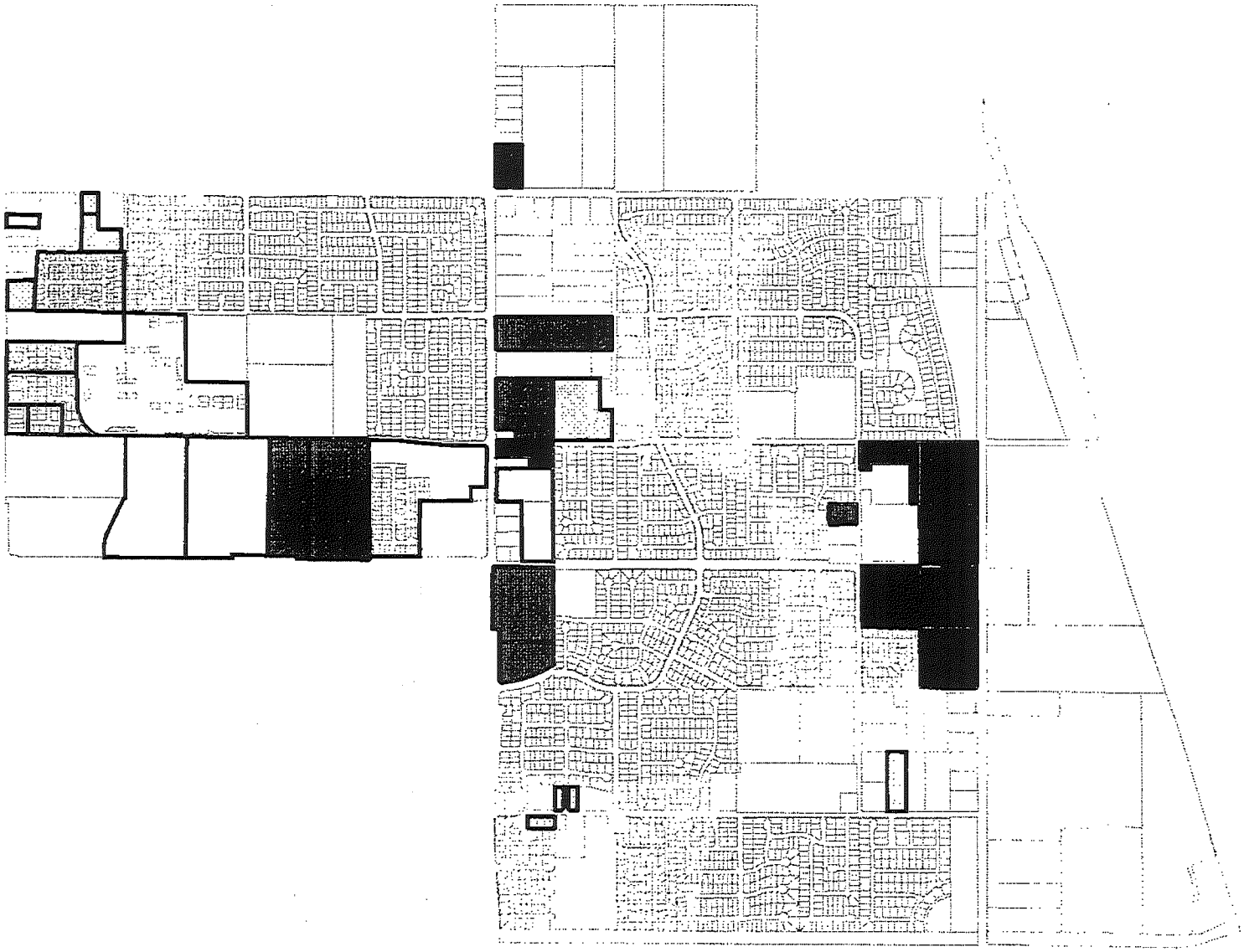
Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "***Reserve Fund Credit***").

Step 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"**Prepayment Amount**"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.



ATTACHMENT 2

Last Updated: 1/26/05

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)
Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential	16.23	$491,461	$103,953	$20,012
			Commercial	3.24	$168,810	$11,567	$2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1.00	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,013	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential	14.82	$448,765	$94,923	$18,274
			Multi Family	10.60	$1,075,233	$76,554	$42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,294
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139
6	2	085-001-061	Village Residential	8.41	$373,648	$53,866	$10,370
7	2	085-002-079	Village Residential	38.35	$2,686,145	$246,993	$71,114
8	2	085-050-001	Village Residential	3.47	$154,169	$22,225	$4,279
8	2	084-002-041	Commercial	2.86	$218,914	$10,223	$2,635
9	2	077-008-032	Village Residential	31.59	$1,403,512	$202,334	$38,950
9	2	077-008-033	Village Residential				
9	2	085-001-047	Village Residential	8.37	$371,871	$53,610	$10,320
9	2	085-001-017	Village Residential	4.61	$204,818	$29,527	$5,684
9	2	085-001-046	Village Residential	4.06	$180,382	$26,004	$5,006
9	2	085-018-060	Village Residential	1.52	$67,532	$9,736	$1,874
9	2	085-009-004	Commercial	11.03	$843,199	$39,377	$10,148
9	2	085-009-005	Multi Family	5.00	$744,160	$36,110	$20,100
10	2	085-001-010	Village Residential	1.84	$81,749	$11,785	$2,269

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.

3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus certify, pursuant to Section 53326 of the California Government Code, as follows:

(A) I have reviewed the boundary map of the areas proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District"), a copy of which is recorded in the Office of the County Recorder of the County of Stanislaus at Book 3 of Maps of Assessment and Community Facilities Districts, at page 85.

(B) On March 31, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the proposed District at an election scheduled to be conducted on April 6, 2004.

(C) There are no persons registered to vote within the proposed District.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with the establishment of the District, I concur in the City Council's designation.

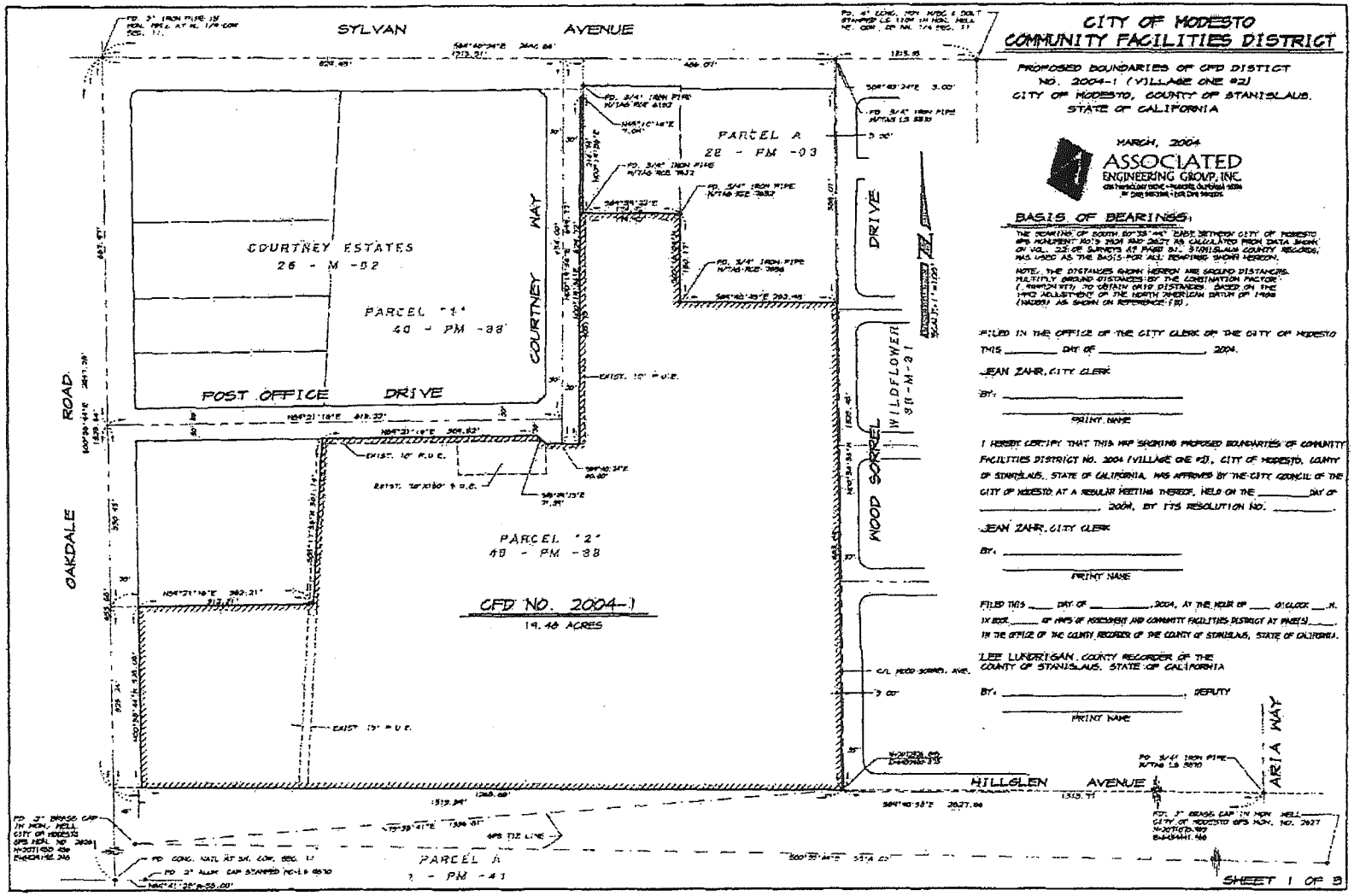
CLERK RECORDER & REGISTRAR OF
VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan

April 5, 2004
Date of Execution

Modesto, California
Place of Execution

SF1 1390169v2 47922/29



CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT

PROPOSED BOUNDARIES OF CFD DISTICT
NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS,
STATE OF CALIFORNIA

MARCH, 2004

ASSOCIATED
ENGINEERING GROUP, INC.

BASIS OF BEARINGS:

THE BEARING OF SOUTH 80°38'44" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 7604 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 31, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (0.9999241917) TO OBTAIN GRID DISTANCES BASED ON THE 1927 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (3).

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO
THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2004, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

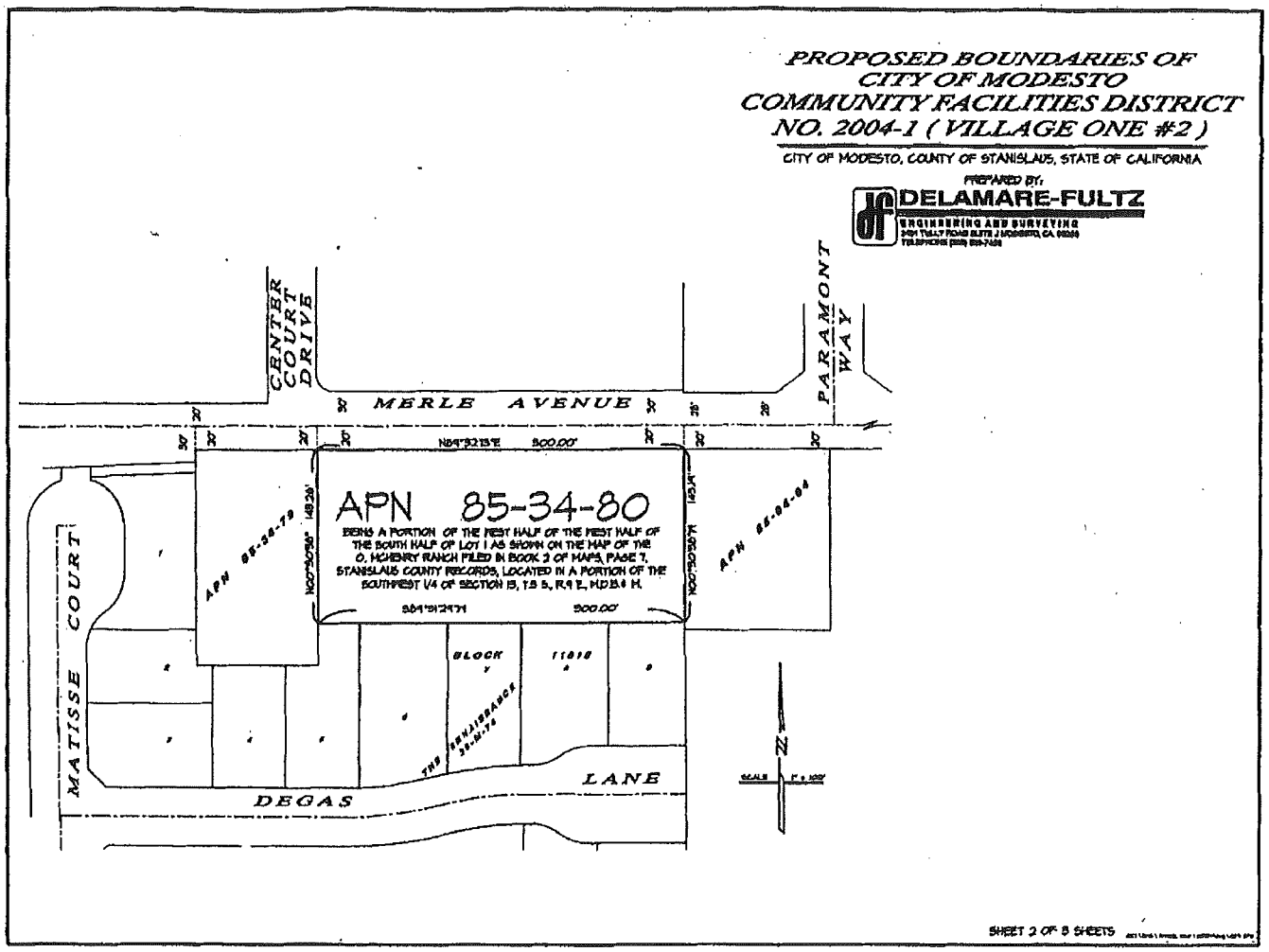
FILED THIS _____ DAY OF _____, 2004, AT THE HOUR OF ____ O'CLOCK ___.M.
IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE(S) _____
IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____, DEPUTY

PRINT NAME

Lee Lundrigan
March 24, 2004



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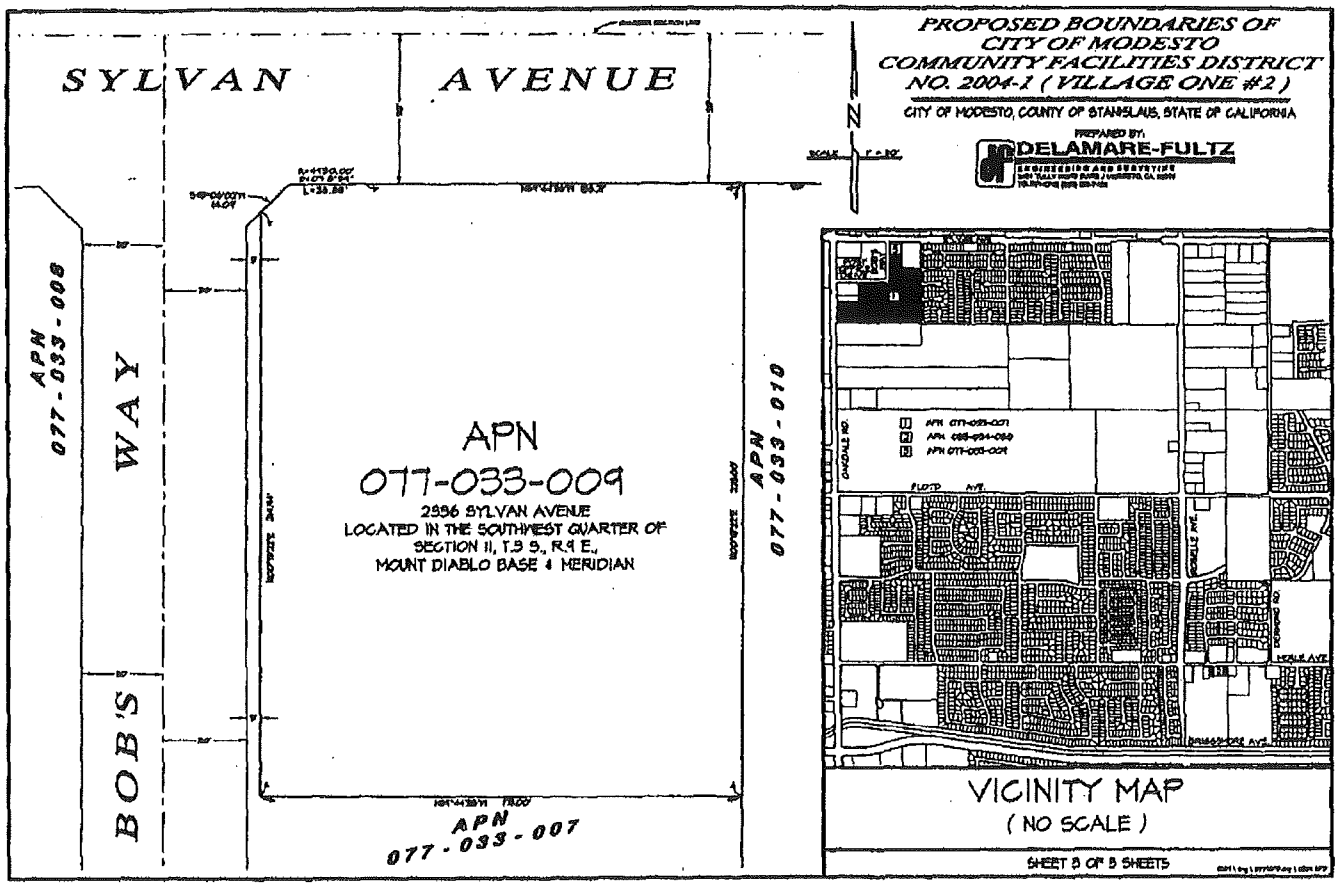
Lee Lundrigan
March 24, 2004



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CERTIFICATE OF COUNTY ASSESSOR
OF THE COUNTY OF STANSILAUS

I, Douglas Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

1. I have examined a list of owners' names and addresses for the Assessor's Parcel Numbers comprising the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2).

2. The names and addresses of the owners of the indicated Assessor's parcels as shown on the last equalized assessment roll or otherwise known to me to be the owners of such parcels are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers as of April 6, 2004.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Douglas Harms

Title: Assessor

Modesto, California
Place of Execution

Assessor's Parcel Numbers	Owner	Owner's Address
077-033-007	Oakdale Park L.P.	1801 Avenue of the Stars, Suite 1404 Los Angeles, CA 90067
077-033-009	Magdy and Sally Elsakar	201 Blossom View Pl. Modesto, CA 95356
085-034-080	WSFL, Inc.	* 6420 7th St. Riverbank, CA 95367

* Have had a recent change in the mailing address for parcel 085-034-080. Address changed to:
3113 Floyd Ave.
Modesto, CA 95355

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. _____, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminary Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District," adopted by the City Council of the City of Modesto on April 6, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On March 24, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the areas proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2). On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: March 24, 2004

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

Names and address to which a ballot was personally delivered or mailed.

Owner	Address	Ballot No.	Value of Vote
Oakdale Park L.P.	1801 Avenue of the Stars, Suite 1404 Los Angeles, CA 90067-5899	1	20
Magdy and Sally Elsakr	201 Blossom View PL. Modesto, CA 95356	2	2
WSFL, Inc.	6420 7th Street Riverbank, CA 95367	3	1

CITY of MODESTO

Office of the
City Clerk
1010 Tenth Street
Suite 6600
P.O. Box 642
Modesto, CA 95353
209/577-5396
209/571-5152 Fax

Hearing and Speech
Impaired Only
TDD 209/526-9211

March 24, 2004

Dear Voter:

The City Council of the City of Modesto has called a Special Tax and Bond Election for the City of Modesto Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto **not later than noon, April 6, 2004**. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5396.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures:
Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Special Tax and Bond Election
(Mello-Roos Community Facilities Act of 1982)

April 6, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

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RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be included in Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned in the enclosed Return Envelope, along with the ballot, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

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SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

APRIL 6, 2004

___% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

90% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 20
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. 1

90% of land in District
THIS BALLOT HAS A VALUE OF 20 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, Hormoz Faryab, certify as follows:

(1) I am the General Partner of Oakdale Park L.P., the owner ("Owner") of the herein described property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-007 (the "Parcel"), which is approximately 19.47 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____ _____, California.

Signature of Voter: _____

_____

Address of Voter: _____

_____

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March 24, 2004

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If you have any questions, please contact me at (209) 577-5396.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

Citizens First!

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Special Tax and Bond Election
(Mello-Roos Community Facilities Act of 1982)

April 6, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

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SPOILING YOUR BALLOT

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WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be included in Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned in the enclosed Return Envelope, along with the ballot, in order for the ballot to be counted.

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SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

APRIL 6, 2004

___% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

5% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. 2

5% of land in District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 2)

I, Magdy Elsakr, certify as follows:

(1) Sally Elsakr and I are the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-009 (the "Parcel"), which is approximately 1.04 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____ _____, California.

Signature of Voter: _____

_____

Address of Voter: _____

_____

CITY of MODESTO

Office of the City Clerk
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Suite 6600
P.O. Box 642
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209/577-5396
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March 24, 2004

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If you have any questions, please contact me at (209) 577-5396.

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Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
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Authorization
Identification Envelope
Return Envelope

Citizens First!

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Special Tax and Bond Election
(Mello-Roos Community Facilities Act of 1982)

April 6, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

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SPOILING YOUR BALLOT

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WHO IS AUTHORIZED TO VOTE

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SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
SPECIAL TAX AND BOND ELECTION
APRIL 6, 2004

___% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 3

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

5% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 1
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☐

NO ☐

BALLOT NO. 3

5% of land in District
THIS BALLOT HAS A VALUE OF 1 VOTE

AUTHORIZATION
(BALLOT NO. 3)

I, Peter Palamino, certify as follows:

(1) I am the _____ of WSFL, Inc., the owner ("Owner") of property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-034-080 (the "Parcel"), which is approximately 1.0 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____, California.

Signature of Voter: _____

_____

Address of Voter: _____

_____

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

90% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 20
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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YES ☒

NO ☐

BALLOT NO. 1

90% of land in District
THIS BALLOT HAS A VALUE OF 20 VOTES

RECEIVED
MODESTO CITY CLERK
04 APR -5 AM 10:23

AUTHORIZATION
(BALLOT NO. 1)

I, Hormoz Faryab, certify as follows:

(1) I am the General Partner of Oakdale Park L.P., the owner ("Owner") of the herein described property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-007 (the "Parcel"), which is approximately 19.47 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 3-25, 2004 at LOS ANGELES, CALIFORNIA, California.

Signature of Voter: Hormoz Faryab GP
Oakdale Park L.P.

Address of Voter: 1801 AVE of The Stars #1404
LA, CA 90067

RECEIVED
MODESTO CITY CLERK
04 APR -5 AM 10:25

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

5% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☒

NO ☐

BALLOT NO. 2

5% of land in District
THIS BALLOT HAS A VALUE OF 2 VOTES

RECEIVED
MODESTO CITY CLERK
04 APR -5 AM 10: 25

AUTHORIZATION
(BALLOT NO. 2)

I, Magdy Elsakr, certify as follows:

(1) Sally Elsakr and I are the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-009 (the "Parcel"), which is approximately 1.04 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on March 30, 2004 at Modesto, California.

Signature of Voter: [signature]

Address of Voter: 2336 Sylvan Ave
Modesto, CA 95355

RECEIVED
MODESTO CITY CLERK
04 APR -5 AM 10:23

OFFICIAL BALLOT

BALLOT NO. 3

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1

(VILLAGE ONE #2)

SPECIAL TAX AND BOND ELECTION

April 6, 2004

5% OF LAND IN DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 1
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

YES ☒

NO ☐

BALLOT NO. 3

5% of land in District
THIS BALLOT HAS A VALUE OF 1 VOTE

RECEIVED
MODESTO CITY CLERK
04 APR -5 AM 10: 23

AUTHORIZATION
(BALLOT NO. 3)

I, Peter Palamino, certify as follows:

(1) I am the _____ of WSFL, Inc., the owner ("Owner") of property within the boundaries of the area proposed to be included in the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District");

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-034-080 (the "Parcel"), which is approximately 1.0 acres of land within the District; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 3/30/, 2004 at _____, California.

Signature of Voter: Peter Palamino

Address of Voter: 6470 7TH ST
RIVERBANK CA 95367

Jana R.

EXHIBIT A

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-199, the Resolution of Formation, adopted on April 6, 2004 by the City Council of the City of Modesto, I did conduct a Special Tax and Bond Election for City of Modesto Community Facilities District No. 2004-1 (Village One #2) on April 6, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall an appropriations limit in the amount of $75,000,000 per fiscal year be established for City of Modesto Community Facilities District No. 2004-1 (the "District") of the City of Modesto ("the City"), and shall special taxes with the rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-127 (the "Resolution of Intention") adopted by the City Council of the City of Modesto on March 2, 2004, including any amendments thereto up to, and including the election date, which are incorporated herein by this reference, be levied within the District in order to finance certain public facilities (the "Facilities") as set forth in the Resolution of Intention and services (the "Services") also set forth in the Resolution of Intention, including any incidental expenses related thereto, and shall a bonded indebtedness in the amount of not to exceed $75,000,000 be incurred within the District in order to finance the Facilities?

TOTAL VOTES CAST: YES 23 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto
Dated: 4/7, 2004

REC'T # 0001465696
April 16, 2004 —— 15:43:52

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office

Document #04-0056546-00

REQD BY
Free Issue

Total fee $0.00
Amount Tendered... $0.00

Change $0.00
BOT,R2/23

Recording requested by and)
when recorded please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 Tenth Street
P.O. Box 642)
Modesto, California 95353)

NOTICE OF SPECIAL TAX LIEN

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned City Clerk of the City of Modesto, State of California, hereby gives notice that a lien to secure payment of special taxes is hereby imposed by the City Council of the City of Modesto, California. The special taxes secured by this lien are authorized to be levied in order to pay debt service on bonds to be issued to finance the facilities described in EXHIBIT B (the "Facilities"), to pay for the Facilities, to pay for the services described in EXHIBIT C (the "Services"), and to pay authorized costs and expenses related thereto.

The special taxes are authorized to be levied within City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "District") which has now been officially formed and the lien of the special taxes is a continuing lien which shall secure each annual levy of the special taxes and which shall continue in force and effect until the special taxes cease to be levied and a notice of cessation of special taxes is recorded in accordance with Section 53330.5 of the Government Code, or, in the case of the "Annual Facilities Special Tax" component of the special taxes (as defined in EXHIBIT A), until the obligation to pay that component of the special taxes is prepared and permanently satisfied and the lien thereof cancelled in accordance Government Code Section 53344.

The rate, method of apportionment, and manner of collection of the authorized special taxes is as set forth in EXHIBIT A. Conditions under which the "Annual Facilities Special Tax" component of the special taxes may be prepaid and permanently satisfied, and the lien of that component of the special taxes cancelled, are also set forth in EXHIBIT A. No provision has been made for the prepayment of the "One-Time Facilities" component of the special taxes (as defined in EXHIBIT A) levied to pay for the Facilities or the "Annual Maintenance Special Tax" component of the special taxes (as defined in EXHIBIT A) levied to pay for the Services.

Notice is further given that, upon the recording of this notice in the office of the County Recorder for the County of Stanislaus, State of California, the obligation to pay the special taxes levy shall become a lien upon all nonexempt real property within the District in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the District and not exempt from the special taxes are shown in EXHIBIT D.

Reference is made to the boundary map of the District recorded at Book 3 of Maps of Assessment and Community Facilities Districts, at page 85, in the office of the County Recorder for the County of Stanislaus, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: April 7, 2004

Jean Zahr
Jean Zahr
Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF SACRAMENTO)

On April 8, 2004 [insert date] before me, Esther Puckett [Here insert name of notary],

personally appeared Jean Zahr

: who is personally known to me, or

: 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. # 1269723
NOTARY PUBLIC CALIFORNIA
Stanislaus County
My Comm. Expires July 3, 2004

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the

Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the Tax Zone in CFD No. 2004-1 at CFD Formation; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

** All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.*

1. **Original Parcels**

The Maximum Special Taxes for each Land Use Class in the Original Parcel in CFD No. 2004-1 as of CFD Formation is identified in Attachment 2. Attachment 2 will be updated by the Administrator as needed to reflect Original Parcels added to the CFD due to annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **Successor Parcels**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village

Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

3. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

4. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

5. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

6. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

7. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

8. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.

"Public Facilities Requirements" means either $1,327,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities 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 4: Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 5: Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

Step 6: 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 7: Compute the current Remaining Facilities Costs (if any).

Step 8: Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the **"Remaining Facilities Amount"**).

Step 9: 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 10: Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 11: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 12: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the **"Defeasance Requirement"**).

Step 13: Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the **"Administrative Fees and Expenses"**).

Step 14: If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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 15: The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the **"Prepayment Amount"**).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning,

collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

EXHIBIT B

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

DESCRIPTION OF FACILITIES

All facilities described herein are as presented in the Village One Facilities Master Plan ("FMP") update, dated May 2003. Said master plan is incorporated herein by reference. The following descriptions summarize the facilities to be funded within CFD 2004-1.

A. Arterial Roads:

Included in the FMP are improvements to four arterial roads that will be funded by the CFD. They include Roselle Ave., from Briggsmore to the northern boundary of Village One (north of Sylvan), Floyd Ave. from Oakdale Rd. to Claus Rd., Oakdale Rd. from Briggsmore to Sylvan Ave., and Sylvan Ave. from Oakdale Rd. to Claus Rd. Also included in the CFD is partial funding for a pedestrian overcrossing on Sylvan Ave. to serve the new high school.

B. Storm Drain System:

The storm drainage system for Village One contains three detention basins:

1. West Basin: Dual-use basin that pumps water to the Central Basin.

2. Central Basin: Percolation/detention basin that pumps water to the MID Lateral #3 and may pump to Dry Creek via Claus Rd. at some time in the future.

3. East Basin: Dual-use basin that pumps water to Dry Creek via Claus Rd.

The facilities to be funded by the CFD include: basin property, trunk pipelines, force mains, pump stations, and other necessary appurtenances.

C. Parks:

Three neighborhood parks and one community park will be developed within the Village One Specific Plan area. The development of the parks will include the acquisition of land, park improvements and street frontage improvements for the Grogan Community Park, the Roselle Neighborhood Park, the Claus Neighborhood Park and the Merle Neighborhood Park.

In addition, buffer land for the community park is to be acquired, a bike trail is to be developed along MID Lateral No. 3, and a trail is to be developed along Claus Rd.

D. Public Facilities:

An area office for police is proposed within Village One. Funds are provided within the CFD for tenant improvements necessary to set up an area office.

E. Other:

Other costs associated with Village One include reimbursement to the City of Modesto for engineering of the Facilities Master Plan and planning related to the Village One Specific Plan, future annual administration costs for the CFD, and community signage for Village One.

EXHIBIT C

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

DESCRIPTION OF SERVICES

Included in this CFD is the maintenance of the Grogan Community Park, Roselle Neighborhood Park, Merle Neighborhood Park, Claus Neighborhood Park, arterial road parkway, median and roundabout landscaping, connector street parkway, median and roundabout landscaping, bike trails and storm drain facilities.

EXHIBIT D

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

ASSESSOR'S PARCEL NUMBERS AND
OWNER'S NAMES FOR PROPERTIES IN THE DISTRICT

Assessor's Parcel Number	Owner's Name(s)
077-033-007	OAKDALE PARK L.P.
077-033-009	MAGDY and SALLY ELSAKR
085-034-080	WSFL, INC.

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2005-0215969-00
Wednesday, NOV 23, 2005 14:30:22
Ttl Pd $0.00 Nbr-0001954414
OJM/RZ/1-1

Filing Requested By
And Return To:

City of Modesto
City Clerk Office
PO Box 642
Modesto CA 95354

MAP

BOOK 4 AM PAGE 33

FOR: **CFD No. 2004-1 (Village One #2) Consolidation Mylar Boundary Map**

DATE OF RECORDING: **November 23, 2005**

RECORDATION NUMBER:

ENGINEER:

DESCRIPTION:

CONSOLIDATION BOUNDARY MAP OF City of Modesto, COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, County of Stanislaus, State of California

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-146

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN [ANNEXATION #1]

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory;

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-127, adopted on March 2, 2004 (the "Resolution of Intention to Establish the District") declare its intention to establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District");

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District; and

WHEREAS, the territory to be annexed is within the City limits;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, May 4, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven (7) days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and

Filed in the Office of the City Clerk of the City of Modesto showing this ___ day of _____, 2004.

JEAN ZAHR, City Clerk

By _____

_____
Print Name

I hereby certify that this map showing the proposed boundaries of Annexation #1, Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ___ day of _____, 2004, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By _____

_____
Print Name

This is a map of the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded in Book ___ of Maps of Assessment and Community Facilities Districts at Page ___ in the Office of the County Recorder, of the County of Stanislaus, State of California.

JEAN ZAHR, City Clerk

By _____

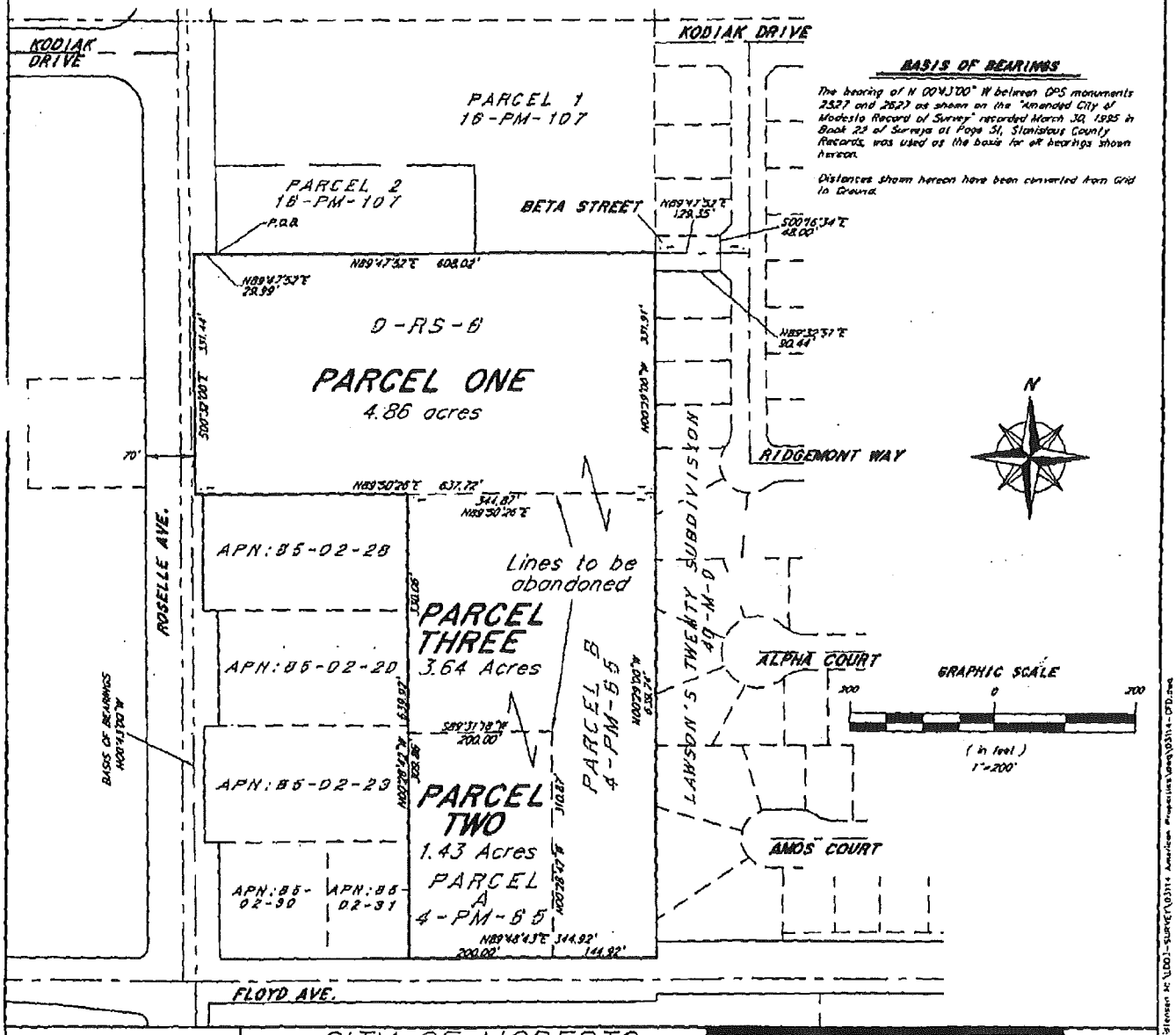
_____
Print Name

Filed this ___ day of _____, 2004, at the hour of ___ o'clock ___ m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By _____

_____
Print Name



BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 2527 and 2527 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

Drawn:	DWJ
Scale:	1"=200'
Job No.:	03114
Phone:	209.526.4214
Dwg. No.:	03114-CFD

CITY OF MODESTO

CFD No. 2004-1 (VILLAGE ONE #2)

PROPOSED BOUNDARIES OF ANNEXATION #1
TO CITY OF MODESTO CFD No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

mid-valley engineering

SHEET 1 OF 1

Plot Nov 25, 2004 at 6:04pm rdvdsterson X:\LDD1-SURVEY\03114 American Properties\dwg\03114-CFD.dwg

City Clerk's Office

Minutes

City Council Chambers,
Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, March 23, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: Dunbar

Pledge of Allegiance to the Flag

Invocation: Pastor Cliff Traub, Bethel Church

City Clerk's Announcements: Item 21 removed from the agenda.

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Beverly McCullough awarding checks to Somerset Middle School and Johansen High School for recycling programs on campus.

ACTION: Presentation made by Beverly McCullough.

2. Presentation of a Proclamation proclaiming April 1, 2004 as Modesto's Arbor Day.

ACTION: Presentation made by Bill Dufresne, Operations & Maintenance Department and Mayor Ridenour.

3. Acknowledgement of the Tree City USA Award to the City of Modesto.

ACTION: Presentation made by Bill Dufresne, Operations & Maintenance and Darla Mills, Department of Forestry and Fire Protection.

4. Consider accepting the Airport Advisory Committee's 2003 Annual Report for the Modesto City-County Airport.

· Motion accepting the Airport Advisory Committee's 2003 Annual Report for the Modesto City-County Airport recommended.
Engineering & Transportation; Van Switzer, 577-5318, vswitzer@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.; Dunbar, absent) accepted the Airport Advisory Committee's 2003 Annual Report.

MISCELLANEOUS
Appointments

5. Consider appointing members to the following Boards, Committees or Commissions:

a. Airport Advisory Committee - the appointment of James E Leonard, with a term expiration of January 1, 2007 and James Davis, with a term expiration of January 1, 2008.
· Resolution appointing James E Leonard, with a term expiration of January 1, 2007 and James Davis, with a term expiration of January 1, 2008 to the Airport Advisory Committee recommended.

ACTION: Reso No 2004-140 (Hawn/Marsh; unan. Dunbar absent) appointing James E Leonard, with a term expiration of January 1, 2007 and James Davis, with a term expiration of January 1, 2008 to the Airport Advisory Committee.

b. Board of Zoning Adjustment - the appointment of Ted Brandvold, with a term expiration of January 1, 2006, and Michael Navarro, with a term expiration of January 1, 2008.
· Resolution appointing Ted Brandvold, with a term expiration of January 1, 2006, and Michael Navarro, with a term expiration of January 1, 2008 to the Board of Zoning Adjustment recommended.

ACTION: Reso No 2004-141 (Hawn/Marsh; unan. Dunbar absent) appointing Ted Brandvold, with a term expiration of January 1, 2006, and Michael Navarro, with a term expiration of January 1, 2008 to the Board of Zoning Adjustment.

c. Citizens Housing & Community Development Committee - the appointment of Charles Chituras with a term expiration of January 1, 2005.
· Resolution appointing Charles Chituras with a term expiration of January 1, 2005 to the Citizens Housing & Community Development Committee recommended.

ACTION: Reso No 2004-142 (Hawn/Marsh; unan. Dunbar absent) appointing Charles Chituras with a term expiration of January 1, 2005 to the Citizens Housing & Community Development Committee.

d. Local Cable Programming Committee - the appointment of Ernie Foote and Dave Thomas, with terms expiring January 1, 2005; Floyd Harris, with a term expiration of January 1, 2006; Ellie Temple Baumer, with a term expiration of January 1, 2007; and Mark Looker, with a term expiration of January 1, 2008.
· Resolution appointing Ernie Foote and Dave Thomas, with terms expiring January 1, 2005; Floyd Harris, with a term expiration of January 1, 2006; Ellie Temple Baumer, with a term expiration of January 1, 2007; and Mark Looker, with a term expiration of January 1, 2008 to the Local Cable Programming Committee recommended.

ACTION: Reso No 2004-143 (Hawn/Marsh; unan. Dunbar absent) appointing Ernie Foote and Dave Thomas, with terms expiring January 1, 2005; Floyd Harris, with a term expiration of January 1, 2006; Ellie Temple Baumer, with a term expiration of January 1, 2007; and Mark Looker, with a term expiration of January 1, 2008 to the Local Cable Programming Committee.

e. Planning Commission - the appointment of David Cogdill, Jr., with a term expiration of January 1, 2006, and Kristin Olsen, with a term expiration of January 1 2008.
· Resolution appointing David Cogdill, Jr., with a term expiration of January 1, 2006, and Kristin Olsen, with a term expiration of January 1 2008 to the Planning Commission recommended.

ACTION: Reso No 2004-144 (Hawn/Marsh; unan. Dunbar absent) appointing David Cogdill, Jr., with a term expiration of January 1, 2006, and Kristin Olsen, with a term expiration of January 1 2008 to the Planning Commission.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 6 through 20
Item 21 removed from agenda.

ACTION Consent Items 6- 20: Jackman/Hawn; unan. Dunbar absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
6. Consider approval of the minutes of the regular City Council meeting of March 9, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan. Dunbar absent) approved the minutes of March 9, 2004.

CONSENT
7. Consider an amendment to the Master Property Tax Sharing agreement to make approximately 1.9 acres belonging to the Modesto City School District (Bret Harte Elementary School) subject to the terms of the Master Property Tax Sharing agreement between the City of Modesto and Stanislaus County.
· Resolution amending the Master Property Tax Sharing agreement to make approximately 1.9 acres belonging to the Modesto City School District (Bret Harte Elementary School) subject to the terms of the Master Property Tax Sharing agreement between the City of Modesto and Stanislaus County recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Reso No 2004-145 (Jackman/Hawn; unan. Dunbar absent) amending the Master Property Tax Sharing agreement to make approximately 1.9 acres belonging to the Modesto City School District (Bret Harte Elementary School) subject to the terms of the Master Property Tax Sharing agreement between the City of Modesto and Stanislaus County.

CONSENT
8. Consider annexation of additional territory to the City of Modesto Community Facility District No. 2004-1 (Village One #2) (Annexation #1).
· Resolution of Intention to annex territory to City of Modesto Community Facility District No. 2004-1 (Village One #2) (Annexation #1) recommended.

City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-146 (Jackman/Hawn; unan. Dunbar absent) a Resolution of Intention to annex territory to City of Modesto Community Facility District No. 2004-1 (Village One #2) (Annexation #1)

CONSENT
9. Consider ordering the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 1 for Dry Creek Meadows subdivision Nos. 1 through 6.
· Resolution directing the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 1 for Dry Creek Meadows subdivision Nos. 1 through 6 recommended.
Engineering & Transportation; Robert Granberg, 577-5259, rgranberg@modestogov.com

ACTION: Reso No 2004-147 (Jackman/Hawn; unan. Dunbar absent) directing the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 1 for Dry Creek Meadows subdivision Nos. 1 through 6.

CONSENT
10. Consider directing the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 2 for Dry Creek Meadows subdivision Nos. 7 through 10, Creekwood Meadows subdivision and Yosemite Meadows subdivisions Units 1 and 2.
· Resolution directing the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 2 for Dry Creek Meadows subdivision Nos 7 through 10, Creekwood Meadows subdivision and Yosemite Meadows subdivisions Units 1 and 2 recommended.
Engineering & Transportation; Robert Granberg, 577-5259, rgranberg@modestogov.com

ACTION: Reso No 2004-148 (Jackman/Hawn; unan. Dunbar absent) directing the Engineering & Transportation Director to prepare and file the Annual Report for Landscape Maintenance District No. 2 for Dry Creek Meadows subdivision Nos 7 through 10, Creekwood Meadows subdivision and Yosemite Meadows subdivisions Units 1 and 2.

CONSENT
11. Consider approval of Final Map of the Loretelli Manor subdivision accepting the public improvements, authorizing the City Manager to sign an agreement with the subdividers, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.
· Resolution approving the Final Map of the Loretelli Manor subdivision accepting the public improvements, authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Engineering & Transportation; Robert Granberg, 577-5259, rgranberg@modestogov.com

ACTION: Reso No 2004-149 (Jackman/Hawn; unan. Dunbar absent) approving the Final Map of the Loretelli Manor subdivision accepting the public improvements, authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
12. Consider accepting the work by James Michael Johnson General Engineering Inc., dba On Grade Contracting, for the "Carpenter Road Waterline" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $509,138.35 per the contract; and Consider increasing the Engineering & Transportation Director's authority to issue change orders on the "Carpenter Road Waterline" project from 10% to 11.2% of the original contract price.
· Resolution accepting the work by James Michael Johnson General Engineering Inc., dba On Grade Contracting, for the "Carpenter Road Waterline" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $509,138.35 per the contract recommended.
· Resolution increasing the Engineering & Transportation Director's authority to issue change orders on the "Carpenter Road Waterline" project from 10% to 11.2% of the original contract price recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Reso No 2004-150 (Jackman/Hawn; unan. Dunbar absent) accepting the work by James Michael Johnson General Engineering Inc., dba On Grade Contracting, for the "Carpenter Road Waterline" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $509,138.35 per the contract

ACTION: Reso No 2004-151 (Jackman/Hawn; unan. Dunbar absent) increasing the Engineering & Transportation Director's authority to issue change orders on the "Carpenter Road Waterline" project from 10% to 11.2% of the original contract price.

CONSENT
13. Consider a $63,807 amendment to the DMJM+Harris consultant contract for construction management services associated with the Kansas-Needham Overhead project, and authorizing the City Manager to execute the necessary documents.
· Resolution approving a $63,807 amendment to the DMJM+Harris consultant contract for construction management services associated with the Kansas-Needham Overhead project, and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Reso No 2004-152 (Jackman/Hawn; unan. Dunbar absent) approving a $63,807 amendment to the DMJM+Harris consultant contract for construction management services associated with the Kansas-Needham Overhead project, and authorizing the City Manager to execute the necessary documents.

CONSENT
14. Consider accepting the work by Granite Construction Company for the "Village One West Basin Road Improvements" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $867,207.45 per the contract.
· Resolution accepting the work by Granite Construction Company for the "Village One West Basin Road Improvements" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $867,207.45 per the contract recommended.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Reso No 2004-153 (Jackman/Hawn; unan. Dunbar absent) accepting the work by Granite Construction Company for the "Village One West Basin Road Improvements" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $867,207.45 per the contract.

CONSENT
15. Consider awarding the bid and approving a $62,481.25 contract with Fence Systems Inc., dba The Yard, for the project titled "Briggsmore Sound Wall - West of Tully", and authorizing the City Manager to execute the necessary documents.
· Resolution awarding the bid and approving a $62,481.25 contract with Fence Systems Inc., dba The Yard, for the project titled "Briggsmore Sound Wall - West of Tully", and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-154 (Jackman/Hawn; unan. Dunbar absent) awarding the bid and approving a $62,481.25 contract with Fence Systems Inc., dba The Yard, for the project titled "Briggsmore Sound Wall - West of Tully", and authorizing the City Manager to execute the necessary documents.

CONSENT
16. Consider accepting the Bowen Traffic Calming project as complete and amending the FY 2003-2004 Capital Improvement Program to fully fund the project.
· Resolution accepting the Bowen Traffic Calming project as complete and amending the FY 2003-2004 Capital Improvement Program to fully fund the project recommended.
Engineering & Transportation; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: Reso No 2004-155 (Jackman/Hawn; unan. Dunbar absent) accepting the Bowen Traffic Calming project as complete and amending the FY 2003-2004 Capital Improvement Program to fully fund the project.

CONSENT
17. Consider awarding the bid and approving the contract in the amount of $270,193 for the "Installation of Two Traffic Signals at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" project with Tim Paxin's Pacific Excavation Inc., and Consider amending the Capital Improvement Program budget to fully fund the project.
· Resolution awarding the bid and approving the contract in the amount of $270,193 for the "Installation of Two Traffic Signals at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" project with Tim Paxin's Pacific Excavation Inc. recommended.
· Resolution a finding that the project within the scope of the project covered by a Master Environmental Impact Report (MEIR), SCH No. 1999082041
· Resolution amending the Capital Improvement Program budget to fully fund the project recommended.
Engineering & Transportation; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: Reso No 2004-156 (Jackman/Hawn; unan. Dunbar absent) awarding the bid and approving the contract in the amount of $270,193 for the "Installation of Two Traffic Signals at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" project with Tim Paxin's Pacific Excavation Inc.

ACTION: Reso No 2004-157 (Jackman/Hawn; unan. Dunbar absent) finding that the project within the scope of the project covered by a Master Environmental Impact Report (MEIR), SCH No. 1999082041

ACTION: Reso No 2004-158 (Jackman/Hawn; unan. Dunbar absent) amending the Capital Improvement Program budget to fully fund the project.

CONSENT
18. Consider amending Municipal Code Section 3-2.1401.1 (Radar) to include Jefferson, between Paradise Road and Maze Boulevard, Sierra Drive between G Street and 7th Street, and to remove Sharon Avenue between Fine Avenue and Claus Road

from the radar-enforceable speed limit list. Funds are budgeted.
· Introduction of an ordinance amending Municipal Code Section 3-2.1401.1 (Radar) to include Jefferson, between Paradise Road and Maze Boulevard, Sierra Drive between G Street and 7th Street, and to remove Sharon Avenue between Fine Avenue and Claus Road recommended.
Engineering & Transportation; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan. Dunbar absent) **introduced Ordinance No. 3344-C.S.** amending Municipal Code Section 3-2.1401.1 (Radar) to include Jefferson, between Paradise Road and Maze Boulevard, Sierra Drive between G Street and 7th Street, and to remove Sharon Avenue between Fine Avenue and Claus Road.

CONSENT
19. Consider approving the March 12, 2004 installation of an all-way stop on Jefferson Street and Vine Street. Funds are budgeted.
· Resolution approving the March 12, 2004 installation of an all-way stop on Jefferson Street and Vine Street recommended.
Engineering & Transportation; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: Reso No 2004-159 (Jackman/Hawn; unan. Dunbar absent) approving the March 12, 2004 installation of an all-way stop on Jefferson Street and Vine Street.

CONSENT
20. Consider the Monthly Investment Report.
· Motion acknowledging receipt of Monthly Investment Report - February 2004 recommended.
Finance; Peggy Hetzler, 577-5369, phetzler@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan. Dunbar absent) acknowledging receipt of Monthly Investment Report - February 2004.

REMOVED FROM THE AGENDA
21. Consider awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the construction of Fire Station No. 11, and authorizing the City Manager to execute the necessary documents.
· Resolution awarding the bid and approving a $1,692,495 contract with Magnum Enterprises Inc. for the project titled "Fire Station No. 11", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution adjusting the budget to appropriate $238,495 from the General Fund recommended.
· Resolution transferring $49,865 to fully fund the project recommended.
Fire; David Grant, 572-9596, dgrant@modestofire.com

ACTION: Item 21 was removed from the agenda.

CONSENT
22. Consider approving installation of angle parking on the north side of Sierra Drive between F and 4th Streets, and shifting of the existing centerline of Sierra Drive ten feet to the south to accommodate the angle parking.
· Resolution approving installation of angle parking on the north side of Sierra Drive between F and 4th Streets, and shifting of the existing centerline of Sierra Drive ten feet to the south to accommodate the angle parking recommended.
Parks, Recreation & Neighborhoods; Bob Ford, 577-5437, bford@modestogov.com

ACTION: Reso No 2004-160 (Jackman/Hawn; unan. Dunbar absent) approving installation of angle parking on the north side of Sierra Drive between F and 4th Streets, and shifting of the existing centerline of Sierra Drive ten feet to the south to accommodate the angle parking.

COUNCIL COMMENTS & REPORTS

· Mayor Ridenour announced that Councilmember Keating was awarded Women of the Year in the 25th Assembly District and presented her with a certificate.

· City Manager Crist reported on the League of California Cities quarterly dinner meeting in Merced.

WRITTEN COMMUNICATIONS

23. Consider a letter from Horizon Consulting Services, Dennis Wilson, regarding Carpenter Road Self-Storage Project.

ACTION: Motion failed (Jackman/O'Bryant; Hawn, Keating, Marsh, Ridenour no) to approve the self-storage project.

HEARINGS

24. Hearing to consider a Mitigated Negative Declaration regarding the Neighborhood Center at Marshall Park Master Plan and Design Development Report.
· Resolution adopting the Mitigated Negative Declaration recommended.
· Resolution approving the Master Plan and Design Development Report for the Neighborhood Center at Marshall Park recommended.
· Resolution approving an amendment to the agreement with WLC Architects to increase the amount of the agreement from $197,500 to $243,840 to provide for additional construction management and engineering, and authorizing the City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Bob Ford, 577-5437, bford@modestogov.com

ACTION: Reso No 2004-161 (Hawn/Jackman; unan. Dunbar absent) adopting the Mitigated Negative Declaration

ACTION: Reso No 2004-162 (Hawn/Jackman; unan. Dunbar absent) approving the Master Plan and Design Development Report for the Neighborhood Center at Marshall Park

ACTION: Reso No 2004-163 (Hawn/Jackman; unan. Dunbar absent) approving an amendment to the agreement with WLC Architects to increase the amount of the agreement from $197,500 to $243,840 to provide for additional construction management and engineering, and authorizing the City Manager to execute the necessary documents

Recess 7:25
Reconvene 7:30

25. Hearing to consider approving a request from the Housing Authority of the County of Stanislaus for HOME funds in the amount of $400,000 for the development of the Miller Pointe project and to consider approving a request from Stanislaus County Affordable Housing Corporation (STANCO) for HOME funds in the amount of $624,831 for the development of the 3333 Carver Road project, and authorizing the City Manager to execute the necessary documents; and Consider an agreement with STANCO for Community Housing Development Organization set aside funds in the amount of $260,270; and Consider amending the FY 2003-2004 budget to re-allocate $260,270 in un-obligated FY 2002-2003 CHDO set-aside funds.
· Resolution approving a request from the Housing Authority of the County of Stanislaus for HOME funds in the amount of $400,000 for the development of the Miller Pointe project and to consider approving a request from Stanislaus County Affordable Housing Corporation (STANCO) for HOME funds in the amount of $624,831

for the development of the 3333 Carver Road project, and authorizing the City Manager to execute the necessary documents recommended.
· Resolution approving an agreement with STANCO for Community Housing Development Organization set aside funds in the amount of $260,270 recommended.
· Resolution amending the FY 2003-2004 budget to re-allocate $260,270 in un-obligated FY 2002-2003 CHDO set-aside funds recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Reso No 2004-164 (Marsh/Jackman; unan. Dunbar absent) approving a request from the Housing Authority of the County of Stanislaus for HOME funds in the amount of $400,000 for the development of the Miller Pointe project and to consider approving a request from Stanislaus County Affordable Housing Corporation (STANCO) for HOME funds in the amount of $624,831 for the development of the 3333 Carver Road project, and authorizing the City Manager to execute the necessary documents.

ACTION: Reso No 2004-165 (Marsh/Jackman; unan. Dunbar absent) approving an agreement with STANCO for Community Housing Development Organization set aside funds in the amount of $260,270.

ACTION: Reso No 2004-166 (Marsh/Jackman; unan. Dunbar absent) amending the FY 2003-2004 budget to re-allocate $260,270 in un-obligated FY 2002-2003 CHDO set-aside funds.

26. Hearing to consider approving the policies and procedures and 5-year fee schedule for the Parks, Recreation and Neighborhoods department's facilities and services, and rescinding Resolution No. 98-237.
· Resolution approving the policies and procedures and 5-year fee schedule for the Parks, Recreation and Neighborhoods department's facilities and services, and rescinding Resolution No. 98-237 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Reso No 2004-167 (Jackman/Keating; unan. Dunbar absent) approving the policies and procedures and 5-year fee schedule for the Parks, Recreation and Neighborhoods department's facilities and services, and rescinding Resolution No. 98-237.

NEW BUSINESS

27. Consider the Downtown Improvement District Board's proposal for a Pilot Parking Validation Program for the 11th Street and 10th Street Place parking garages.
· Resolution approving Downtown Improvement District Board's proposal for a Pilot Parking Validation Program for the 11th Street and 10th Street Place parking garages recommended.
Operation & Maintenance; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Reso No 2004-168 (Marsh/Hawn; unan. Dunbar absent) approving Downtown Improvement District Board's proposal for a Pilot Parking Validation Program for the 11th Street and 10th Street Place parking garages.

28. Consider the State Theatre Board request for City endorsement of the State Theatre's loan request to the Stanislaus County Economic Development Bank.
· Resolution supporting the State Theatre Board request for City endorsement of the State Theatre's loan request to the Stanislaus County Economic Development Bank recommended.
City Manager; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: Reso No 2004-169 (Jackman/O'Bryant; unan. Dunbar absent) supporting the State Theatre Board request for City endorsement of the State Theatre's loan request to the Stanislaus County Economic Development Bank.

29. Consider directing staff to proceed with preparation of documents necessary to initiate a process to increase water rates by 35% for fiscal year 04-05; 30% for fiscal year 05-06; 30% for fiscal year 06-07.
· Motion acknowledging staff report recommended.
Finance; Gregory Baird, 577-5458, gbaird@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan. Dunbar absent) acknowledged receipt of report.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 9:20 p.m.

Closed session heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Disposition of City surplus property located on the south side of Sharon Avenue, west of Fine Avenue as part of the Freedom Park Project.

APN: 085-0721 (portion) - 4.22 Acres ±

Negotiating parties: Steve Long, Acquisition Consultant for the City of Modesto

Ron Liebs - negotiating for Sylvan Union School District

Under negotiation: Price and terms of sale for property rights to be disposed

13444

2690 020
0206 0230
CFD

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO,** County Of **STANISLAUS,** State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

APRIL 27, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

APRIL 27, 2004

Esther Jiménez
(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.20041(VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED ANNEXATION NO.1

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on March23, 2004, adopt its Resolution No.2004146 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of 2 parcels identified by reference to Stanislaus County Assessor Parcels, as follows: A.P. Nos. 085-002-034 and 085-002-035.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2004-146. The time and place for the hearing is Tuesday, May4, 2004, at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2004146. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.

Dated: April 7, 2004
Jean Zahr
City Clerk
APRIL 27, 2004

CERTIFICATE OF COUNTY ASSESSOR
OF THE COUNTY OF STANSILAUS

I, Douglas Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

1. I have examined the list of owners' names and addresses for the Assessor's Parcel Numbers comprising the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), as such area is identified as Annexation No. 1.

2. The names and addresses of the owners of the indicated Assessor's parcels as shown on the last equalized assessment roll or otherwise known to me to be the owners of such parcels are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Douglas Harms

, 2004
Date of Execution

Modesto, California
Place of Execution

SF1 1391271v2 47922/29

Annexation No. 1 to
CITY OF MODESTO
Community Facilities District No. 2004-1

Assessor's Parcel Numbers	Owner's Name	Owner's Address
085-002-034	Harold Barnett and Mary Ann Barnett	2806 Roselle Avenue Modesto, CA 95355
085-002-035	Robert B. Neugebauer and Betty L. Neugebauer, husband and wife, and Robert B. Neugebauer and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990	3049 Floyd Avenue Modesto, CA 95355

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus certify, pursuant to Section 53326 of the California Government Code, as follows:

(A) I have reviewed the boundary map of Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Annexed Territory"), which is recorded in the Office of the County Recorder of the County of Stanislaus at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86.

(B) On April 9, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are less than 12 persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan

May 3, 2004
Date of Execution

Modesto, California
Place of Execution

SF1 1391263v3 83500/90100

BARNETT
A.P. No. 085-002-034

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of APN 085-002-034 (the "Property") being land proposed to be annexed, as part of Annexation No. 1, to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-146 (the "Resolution of Intention to Annex"), adopted on March 23, 2004. The land proposed to be annexed to the District as Annexation No. 1 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____ _____; the name and address of the trustee is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

4. Landowners certify there are no registered voters residing on the Property.

5. Landowners further certify that title to the Property is held as follows: HAROLD AND MARY ANN BARNETT.

6. The Landowners designate AMERICAN PROPERTY DEVELOPMENT INC. ATTN: GREG BORREGO as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 110 - 110TH AVENUE NE STE 550 BELLEVUE WA 98004.

Dated: 4/15, 2004

LANDOWNERS: HAROLD BARNETT AND MARY ANN BARNETT

By: Harold Barnett
Name: HAROLD BARNETT

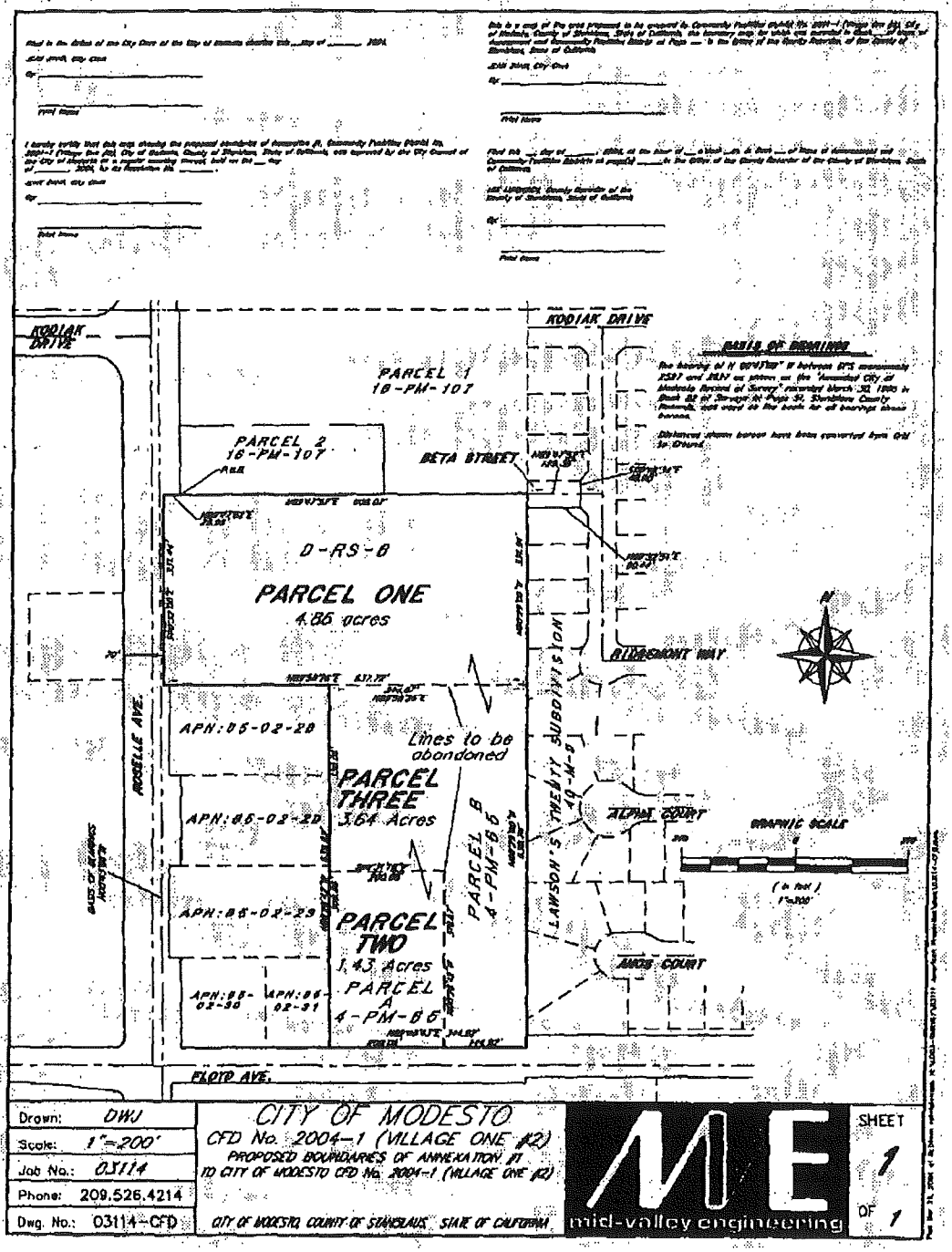
By: Mary Ann Barnett
Name: MARY ANN BARNETT

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1391358v2

EXHIBIT A



SFI 1391358v2

NEUGEBAUER et al
A.P. No. 085-002-035

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of APN 085-002-034 (the "Property") being land proposed to be annexed, as part of Annexation No. 1, to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-146 (the "Resolution of Intention to Annex"), adopted on March 23, 2004. The land proposed to be annexed to the District as Annexation No. 1 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____; the name and address of the trustee is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

4. Landowners certify there are no registered voters residing on the Property.

5. Landowners further certify that title to the Property is held as follows: ROBERT B. & BETTY L. NUEGEBAUER.

6. The Landowners designate AMERICAN PROPERTY DEVELOPMENT ATTN: GREG BORREGO as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 110-110TH AVENUE, STE 550 BELLEVUE WA 98004.

Dated: APRIL 15, 2004

LANDOWNERS: Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebauer and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990

By: [signature]
Name: Robert B. Neugebauer

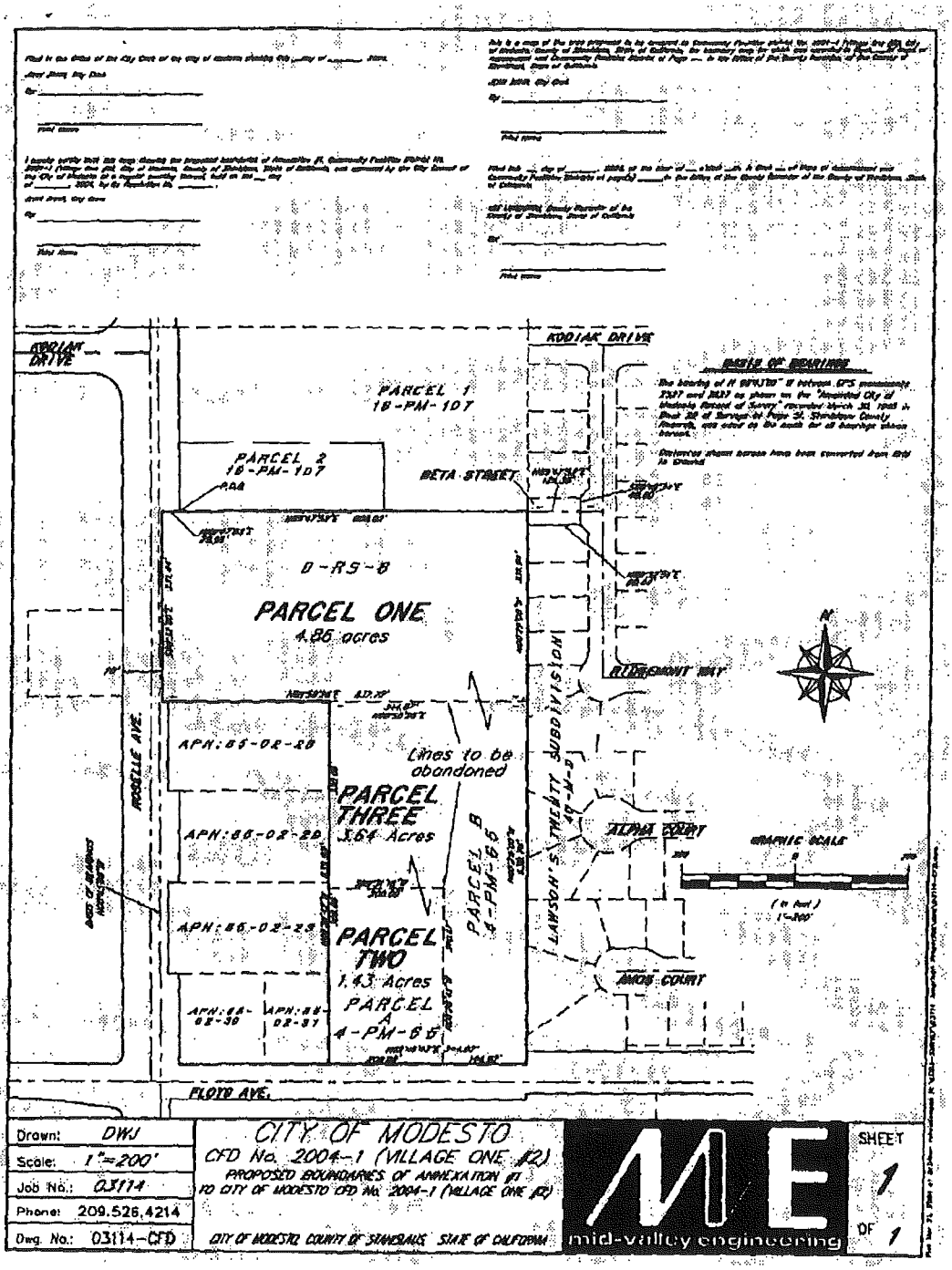
By: Betty L. Neugebauer
Name: Betty L. Neugebauer

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1391364v2

EXHIBIT A



SF1 1391364v2

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ANNEXATION NO. 1

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. _____, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District - Annexation No. 1", adopted by the City Council of the City of Modesto on May 4, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On April 22, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 1. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: April 22, 2004

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

Names and address to which a ballot was personally delivered or mailed.

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Harold Barnett and Mary Ann Barnett 2806 Roselle Avenue Modesto, CA 95355	Greg Borrego c/o American Property Development, Inc. 110-110th Avenue NE, Suite 550 Bellevue, WA 98004	1	5
Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebaur and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990 (APN 085-002-035) 3049 Floyd Avenue Modesto, CA 95355	Greg Borrego c/o American Property Development, Inc. 110-110th Avenue NE, Suite 550 Bellevue, WA 98004	2	6

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto **not later than noon, May 4, 2004.** A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 1

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

May 4, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 1, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on May 4, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall existing special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

49% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall existing special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 1

49% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, _____, certify as follows:

(1) I am the Authorized Representative of Harold Barnett and Mary Ann Barnett, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 1 to.the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-034 (the "Parcel"), which is approximately 4.86 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
Address of Authorized Representative (Voter)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
ANNEXATION NO. 1

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. _____, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District - Annexation No. 1", adopted by the City Council of the City of Modesto on May 4, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On April 22, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 1. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: April 22, 2004

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

Names and address to which a ballot was personally delivered or mailed.

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Harold Barnett and Mary Ann Barnett 2806 Roselle Avenue Modesto, CA 95355	Greg Borrego c/o American Property Development, Inc. 110-110th Avenue NE, Suite 550 Bellevue, WA 98004	1	5
Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebaur and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990 (APN 085-002-035) 3049 Floyd Avenue Modesto, CA 95355	Greg Borrego c/o American Property Development, Inc. 110-110th Avenue NE, Suite 550 Bellevue, WA 98004	2	6

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto **not later than noon, May 4, 2004**. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 1

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

May 4, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 1, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on May 4, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall existing special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-J (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

51% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall existing special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 2

51% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

AUTHORIZATION
(BALLOT NO. 2)

I, _____, certify as follows:

(1) I am the Authorized Representative of Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebaur and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990 (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-035 (the "Parcel"), which is approximately 5.07 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____ _____, California.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-246A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT ANNEXATION NO. 1

WHEREAS, this Council did, on March 23, 2004, adopt its Resolution No. 2004-146 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 ("Village One #2)" was recorded on March 25, 2004, in the Office of the County Recorder of the County of Stanislaus, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 86; and

WHEREAS, at the time and date set for the hearing (May 4, 2004) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes within the Annexed Territory have not been filed with the City Clerk by fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as **Exhibit A.**

SECTION 6. Fewer than twelve (12) persons have been registered to vote within the Annexed Territory for each of the ninety (90) days preceding the close of the hearing

referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received appropriate waivers of time limits and other requirements pertaining to the conduct of the election by each of the owners of land in the Annexed Territory (collectively, the "Landowners"), the election shall be held on the 4th day of May, 2004. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowners.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the landowners.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation.

SECTION 12. In order to amend the title on the map of the Annexed Territory heretofore approved by Resolution No. 2004-146, adopted by this Council on March 23, 2004, and thereafter recorded with the County Recorder in Book 3 of Maps of Assessment and Community Facilities Districts, at page 86, the City Clerk is directed to file with the County Recorder a map, hereby approved, entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California".

The City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than 10 days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code,

including a reference to the title, book, page and recording date of the original boundary map of the District, and a reference to the previously recorded map of the Annexed Territory.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 4th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

SAMPLE

OFFICIAL BALLOT

BALLOT NO. ___

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST ___
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall existing special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐
NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF __ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, May 4, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Mark Kreiger, Modesto Covenant Church

City Clerk's Announcements

Declaration of Conflicts of Interest

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Chief Jim Miguel regarding Fill The Boot for Muscular Dystrophy scheduled for May 15, 2004.

ACTION: Presentation given by Jason Fritz, Modesto Fire Department and a Muscular Dystrophy representative.

2. Presentation of Proclamation to Stanislaus County Asthma Coalition proclaiming May 4, 2004 Asthma Awareness Day and May 2004 as Asthma Awareness Month. Chairperson Dr. Wallace Carroll to receive the proclamation.

ACTION: Proclamation presented by Mayor Ridenour.

3. Presentation of a Certificate of Recognition to the Modesto High School Leadership Class in honor of receiving the Outstanding Activities Program Award from the California Association of Student Leaders and California Association of Directors of Activities.

ACTION: Presentation made by Mayor Ridenour.

4. Presentation of Proclamation to the Stanislaus County Commission on Aging proclaiming May as "Senior Awareness Month".

ACTION: Proclamation presented by Mayor Ridenour.

5. Presentation by Mike Zagaris regarding the recent formation of a non-profit corporation dedicated to providing art in public places in the greater Modesto area, and the Council is being requested to designate a City Staff member to act as a liaison to this newly formed non-profit corporation.

ACTION: By motion (Keating/Hawn; unan.) Council designated Bob Quintella to act as staff liaison to this newly formed non-profit corporation.

MISCELLANEOUS
Legislation

6. Consider opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.
· Resolution opposing Senate Bill 1866, legislation relating to Police vehicle pursuits recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Reso No 2004-240 (O'Bryant/Marsh; unan.) opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.

ORAL COMMUNICATIONS

· Mary Harris spoke regarding the Modesto Epilepsy Support Group.

· Dean Phillips responded to Councilmember Keating regarding the road work being done on Scenic Drive.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 7 through 11

ACTION Consent Item 7, 8, 9, 10, 11: Jackman/Keating; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
7. Consider approval of the minutes of the regular City Council meeting of April 27, 2004.
· Motion approving minutes recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approving the minutes of April 27, 2004.

CONSENT
8. Consider rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-241 (Jackman/Keating; unan.) rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.

CONSENT
9. Consider accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents; Consider amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements; and Consider adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.
· Resolution accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements recommended.
· Resolution adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-242 (Jackman/Keating; unan) accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents

ACTION: Reso No 2004-243 (Jackman/Keating; unan) amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements

ACTION: Reso No 2004-244 (Jackman/Keating; unan) adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.

CONSENT
10. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY-2004 budget adjustments for April 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Reso No 2004-245 (Jackman/Keating; unan) approving FY-2004 budget adjustments for April 2004.

CONSENT
11. Consider the Monthly Investment Report - March 2004.
· Motion acknowledging receipt and accepting the Month Investment Report for March 2004 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan) acknowledging receipt and accepting the Month Investment Report for March 2004

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

12. Consider directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee.
· Motion directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directing staff to pursue a financing strategy designated as option 2 in the staff report, however staff has the latitude to negotiate for the option 3 strategy provided the City would own the transmission facilities after the debt has been repaid, if that is the best deal (in terms of costs) for the rate payers.

HEARINGS

13. Hearing to consider the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.
· Resolution approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-246 (Jackman/Marsh; unan.) approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.

Recess 7:22
Reconvene 7:34

14. Hearing to consider an appeal by Eric Reimer and Greg Dias, on behalf of neighbors, of the March 25, 2004 Board of Zoning Adjustment determination that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.
· Resolution denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and upholding the grating of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Reso No 2004-247 (Dunbar/O'Bryant; unan.) denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and

upholding the granting of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 9:12 p.m.

CLOSED SESSION

Closed session heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One case

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

49% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

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YES ☒

NO ☐

BALLOT NO. 1

49% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

AUTHORIZATION
(BALLOT NO. 1)

RECEIVED
MODESTO CITY CLERK
04 APR 26 PM 12:55

I, GREG BORREGO, certify as follows:

(1) I am the Authorized Representative of Harold Barnett and Mary Ann Barnett, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-034 (the "Parcel"), which is approximately 4.86 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 4/26, 2004 at MODESTO, CALIFORNIA.

Guy Briggs
Signature of Authorized Representative (Voter)

AMERICAN PROPERTY DEVELOPMENT, INC
110 - 110TH AVE NE STE 550
BELLEVUE WA 98004
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 1

SPECIAL TAX ELECTION

May 4, 2004

RECEIVED
MODESTO CITY CLERK
04 APR 26 PM 12:5

51% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

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YES ☒

NO ☐

BALLOT NO. 2

51% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

AUTHORIZATION
(BALLOT NO. 2)

I, GREG BORRELLO, certify as follows:

(1) I am the Authorized Representative of Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebaur and Betty L. Neugebauer, co-trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990 (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 1 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-035 (the "Parcel"), which is approximately 5.07 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 4/26, 2004 at MODESTO CA, California.

Greg Borrello
Signature of Authorized Representative (Voter)

AMERICAN PROPERTY DEVELOPMENT INC
110-110TH AVENUE NE STE 550
BELLEVUE WA 98004
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004- 246

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE MAY 4, 2004, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 1)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein [Annexation No. 1]" adopted on March 23, 2004, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2004-246A, adopted on May 4, 2004, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for May 4, 2004, relative to the foregoing; and

WHEREAS, on May 4, 2004, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2004-146 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of

Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 4th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-246A A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District, Annexation No. 1," adopted on May 4, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on May 4, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-146, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 1)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 23, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 11 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: May 5, 2004

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, May 4, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Mark Kreiger, Modesto Covenant Church

City Clerk's Announcements

Declaration of Conflicts of Interest

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Chief Jim Miguel regarding Fill The Boot for Muscular Dystrophy scheduled for May 15, 2004.

ACTION: Presentation given by Jason Fritz, Modesto Fire Department and a Muscular Dystrophy representative.

2. Presentation of Proclamation to Stanislaus County Asthma Coalition proclaiming May 4, 2004 Asthma Awareness Day and May 2004 as Asthma Awareness Month. Chairperson Dr. Wallace Carroll to receive the proclamation.

ACTION: Proclamation presented by Mayor Ridenour.

3. Presentation of a Certificate of Recognition to the Modesto High School Leadership Class in honor of receiving the Outstanding Activities Program Award from the California Association of Student Leaders and California Association of Directors of Activities.

ACTION: Presentation made by Mayor Ridenour.

4. Presentation of Proclamation to the Stanislaus County Commission on Aging proclaiming May as "Senior Awareness Month".

ACTION: Proclamation presented by Mayor Ridenour.

5. Presentation by Mike Zagaris regarding the recent formation of a non-profit corporation dedicated to providing art in public places in the greater Modesto area, and the Council is being requested to designate a City Staff member to act as a liaison to this newly formed non-profit corporation.

ACTION: By motion (Keating/Hawn; unan.) Council designated Bob Quintella to act as staff liaison to this newly formed non-profit corporation.

MISCELLANEOUS
Legislation

6. Consider opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.
· Resolution opposing Senate Bill 1866, legislation relating to Police vehicle pursuits recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Reso No 2004-240 (O'Bryant/Marsh; unan.) opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.

ORAL COMMUNICATIONS

· Mary Harris spoke regarding the Modesto Epilepsy Support Group.

· Dean Phillips responded to Councilmember Keating regarding the road work being done on Scenic Drive.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 7 through 11

ACTION Consent Item 7, 8, 9, 10, 11: Jackman/Keating; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
7. Consider approval of the minutes of the regular City Council meeting of April 27, 2004.
· Motion approving minutes recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approving the minutes of April 27, 2004.

CONSENT
8. Consider rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-241 (Jackman/Keating; unan.) rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.

CONSENT
9. Consider accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents; Consider amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements; and Consider adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.
· Resolution accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements recommended.
· Resolution adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-242 (Jackman/Keating; unan) accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents

ACTION: Reso No 2004-243 (Jackman/Keating; unan) amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements

ACTION: Reso No 2004-244 (Jackman/Keating; unan) adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.

CONSENT
10. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY-2004 budget adjustments for April 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Reso No 2004-245 (Jackman/Keating; unan) approving FY-2004 budget adjustments for April 2004.

CONSENT
11. Consider the Monthly Investment Report - March 2004.
· Motion acknowledging receipt and accepting the Month Investment Report for March 2004 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan) acknowledging receipt and accepting the Month Investment Report for March 2004

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

12. Consider directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee.
· Motion directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directing staff to pursue a financing strategy designated as option 2 in the staff report, however staff has the latitude to negotiate for the option 3 strategy provided the City would own the transmission facilities after the debt has been repaid, if that is the best deal (in terms of costs) for the rate payers.

HEARINGS

13. Hearing to consider the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.
· Resolution approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-246 (Jackman/Marsh; unan.) approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.

Recess 7:22
Reconvene 7:34

14. Hearing to consider an appeal by Eric Reimer and Greg Dias, on behalf of neighbors, of the March 25, 2004 Board of Zoning Adjustment determination that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.
· Resolution denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and upholding the grating of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Reso No 2004-247 (Dunbar/O'Bryant; unan.) denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and

upholding the granting of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 9:12 p.m.

CLOSED SESSION

Closed session heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One case

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2004-0072056-00
Wednesday, MAY 12, 2004 12:32:16
Ttl Pd $0.00 Nbr-0001484094
MJH/R2/1-3

Recording requested by and when recorded, please return to:

Jean Zahr, City Clerk
City of Modesto
1010-10th Street
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 1)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to the District by the City Council of the City following approval of the levy of the District special taxes (the "Special Taxes") in the Annexed Territory by the qualified voters therein at a special tax election held on May 4, 2004. The rate, method of apportionment and manner of collection of the Special Taxes is set forth in Exhibit A to the Notice of Special Tax Lien. The Special Taxes are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits A, B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation, the Special Taxes are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County

3

of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 1), and not exempt from the Special Tax, are as follows:

Assessor's Parcel No. (as shown on the current Assessor's roll)	Owner's Name
085-002-034	Harold Barnett and Mary Ann Barnett
085-002-035	Robert B. Neugebauer and Betty L. Neugebauer, husband and wife; Robert B. Neugebauer and Betty L. Neugebauer, co-Trustees of the Robert B. Neugebauer and Betty L. Neugebauer Family Trust, dated July 12, 1990

Reference is made to the boundary map of the Annexed Territory recorded in Book 3 of Maps of Assessment and Community Facilities Districts, at page 86, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: May 5, 2004

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

SF1 1393027v3 47922/29

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On May 5, 2004 before me, DEBRA A. Gilbert
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debra Gilbert [Seal]

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2005

SF1 1393027v3 47922/29/38320/00029

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-249

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN [ANNEXATION No. 2]

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"); and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District; and

WHEREAS, the territory to be annexed is within the City limits;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County

Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, and the map related to Annexation No. 1 to the District, on file with said County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A.**

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than 10 days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are also set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, June 22, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven (7) days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: [signature]
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06

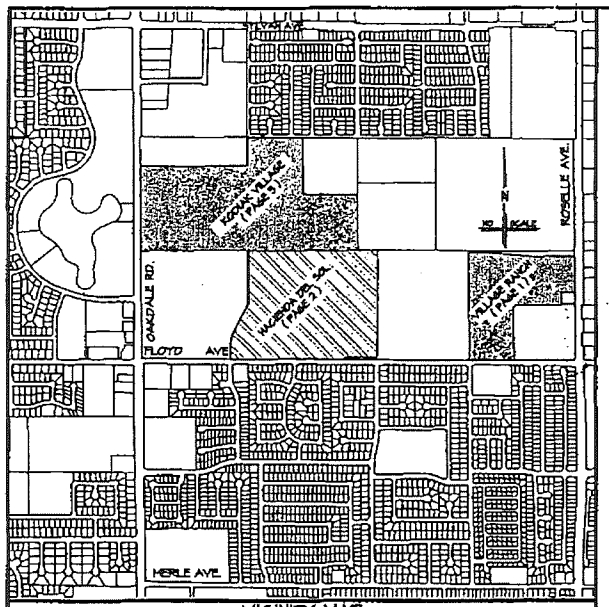
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

ANNEXATION MAP NO.2 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

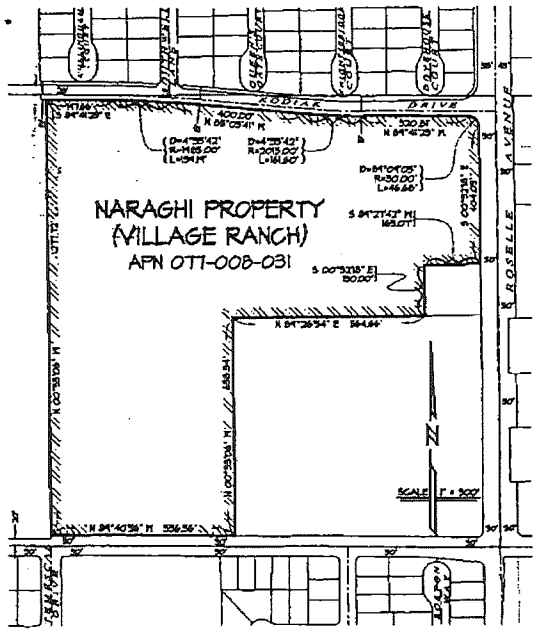
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 529-7490



VICINITY MAP
(NO SCALE)



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 23, 2004, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION #2 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO

AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 200____.

BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED IN THE OFFICE OF THE CITY CLERK, OF THE CITY OF MODESTO

SHOWING THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____, 2004,

AT THE HOUR OF _____ O'CLOCK ____ M.

IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY

FACILITIES DISTRICTS AT PAGE(S) _____, IN THE OFFICE

OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS,

STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE

COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

PRINT NAME

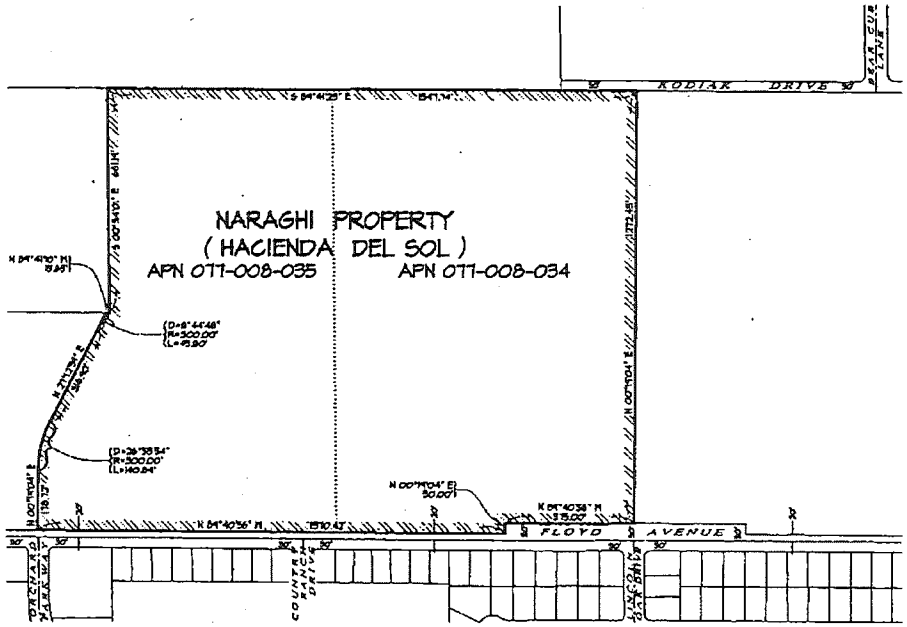
SHEET 1 OF 3 SHEETS

ANNEXATION MAP NO.2 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 529-7450



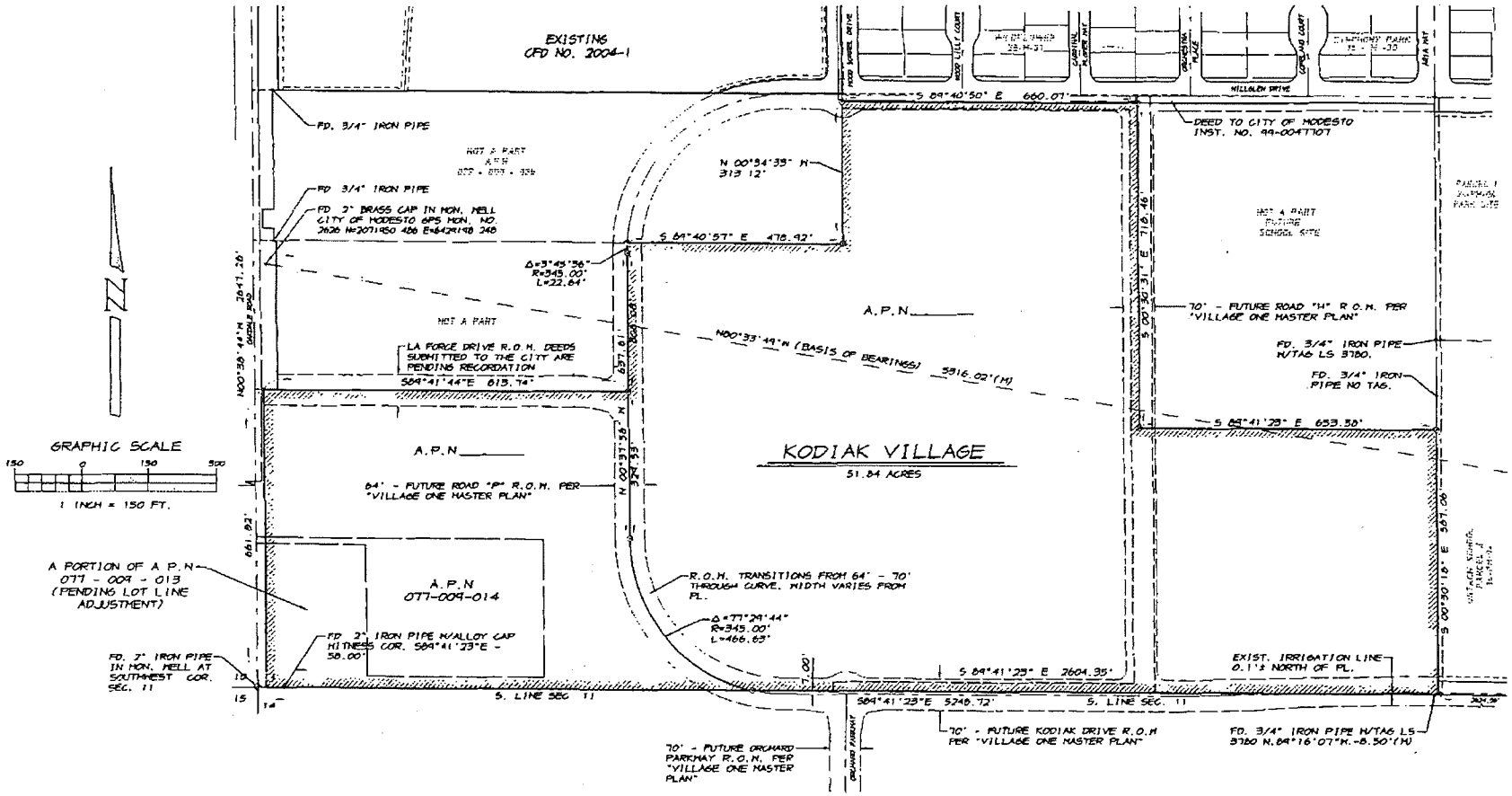
LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 500'

SHEET 2 OF 3 SHEETS



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BASIS OF BEARINGS

THE BEARING OF SOUTH 80°33'49" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 2626 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929747) TO OBTAIN GRID DISTANCES. BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (6).

ASSOCIATED ENGINEERING GROUP, INC.
4206 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-3390 • FAX: (209) 545-3875

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, May 11, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Michael Saldivar, LaLoma Grace Church

City Clerk's Announcements - None

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation proclaiming May 16-22, 2004 as National Public Works Week

ACTION: Presentation made by Peter Cowles, Acting Engineering & Transportation Director and Judith Ray, Acting Operations & Maintenance Director

2. Presentation of Proclamation proclaiming May 16-22, 2004 as Emergency Medical Services Week

ACTION: Presentation made by Mayor Ridenour to American Medical Response, Mountain Valley Medical and Jim Miguel, Fire Chief.

3. Presentation recognizing the 30th anniversary of the Community Development Block Grant (CDBG) program

ACTION: Presentation made by Julie Hannon, Deputy Director of Parks Recreation and Neighborhoods

4. Presentation of proclamation to the Stanislaus Chapter of Mental Health Consumers proclaiming May 2004 as Mental Health Month

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Legislation

5. Consider supporting AB 2318, proposed legislation to extend confidentiality protections to city auditors equal to those of state auditors.
· Resolution supporting AB 2318, proposed legislation to extend confidentiality protections to city auditors equal to those of state auditors recommended.
City Clerk & Auditor; Gary Nienhuis, 571-5544, gnienhuis@modestogov.com

ACTION: Reso No 2004-248 (Jackman/Keating; unan.) supporting AB 2318, proposed legislation to extend confidentiality protections to city auditors equal to those of state auditors.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 6 through 16

ACTION Consent Items 6-16: Jackman/O'Bryant; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
6. Consider approval of the minutes of the regular City Council meeting of May 4, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved the minutes of May 4, 2004.

CONSENT
7. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #2).
· Resolution of intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-249 (Jackman/O'Bryant; unan.), a resolution of intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #2).

CONSENT
8. Consider Amendment #2 to the agreement with Turnstone Consulting Corporation for additional work performed on the preparation of the Draft Environmental Impact Report for the Kaiser Medical Campus Project in the amount of $160,450. Total budget: $200,562
· Resolution approving Amendment #2 to the agreement with Turnstone Consulting Corporation for additional work performed on the preparation of the Draft Environmental Impact Report for the Kaiser Medical Campus Project in the amount of $160,450 recommended.

Community & Economic Development, Steve Mitchell, 577-5287, smitchell@modestogov.com

ACTION: Reso No 2004-250 (Jackman/O'Bryant; unan) approving Amendment #2 to the agreement with Turnstone Consulting Corporation for additional work performed on the preparation of the Draft Environmental Impact Report for the Kaiser Medical Campus Project in the amount of $160,450.

CONSENT
9. Consider the final map of the Udona Grove subdivision and authorizing the City Manager to sign an agreement with the subdividers. Owners: William Eugene Buchta and Charisse Renee Buchta, husband and wife as joint tenants and Inderjit S. Toor and Harinder S. Toor, individuals.
· Resolution approving the final map of the Udona Grove subdivision and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code recommended.
Engineering & Transportation; Robert Granberg, 577-5259, rgranberg@modestogov.com

ACTION: Reso No 2004-251 (Jackman/O'Bryant; unan) approving the final map of the Udona Grove subdivision and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code.

CONSENT
10. Consider increasing the Engineering & Transportation Director's authority to issue change orders on the "Interior Improvements - Wastewater Collection Maintenance Building" project from 10% ($66,044.50) to 19% ($125,484.55) of the original contract price with the McDonald Glenn Company; and Consider amending the FY 2003-2004 Capital Improvement budget to fund the project.
· Resolution increasing the Engineering & Transportation Director's authority to issue change order on the "Interior Improvements - Wastewater Collection Maintenance Building" project from 10% ($66,044.50) to 23% ($151,902.35) of the original contract price with the McDonald Glenn Company recommended.
· Resolution amending the FY 2003-2004 Capital Improvement budget to fund the "Interior Improvements - Wastewater Collection Maintenance Building" project recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-252 (Jackman/O'Bryant; unan) increasing the Engineering & Transportation Director's authority to issue change order on the "Interior Improvements - Wastewater Collection Maintenance Building" project from 10% ($66,044.50) to 23% ($151,902.35) of the original contract price with the McDonald Glenn Company

ACTION: Reso No 2004-253 (Jackman/O'Bryant; unan) amending the FY 2003-2004 Capital Improvement budget to fund the "Interior Improvements - Wastewater Collection Maintenance Building" project.

CONSENT
11. Consider awarding the bid and approving a $59,989.85 contract to Industrial Fence for the project titled "Thousand Oaks Lift Station Fence," and authorizing the City Manager to execute the necessary documents. Estimated total cost, including design, contract administration and contingencies, is $84.000. Funds are budgeted.
· Resolution awarding the bid and approving a $59,989.85 contract to Industrial Fence for the project titled "Thousand Oaks Lift Station Fence," and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-254 (Jackman/O'Bryant; unan) awarding the bid and approving a $59,989.85 contract to Industrial Fence for the project titled "Thousand Oaks Lift Station Fence," and authorizing the City Manager to execute the necessary documents.

CONSENT
12. Consider awarding the bid and approving a $599,555 contract with Industrial Electrical for the project titled "Emergency Power Addition at Water Wells, 25, 43, 225, 282, 298, 299, 302 and 313", and authorizing the City Manager to execute the necessary documents. Total estimated cost of project is $725,000.
· Resolution awarding the bid and approving a $599,555 contract with Industrial Electrical for the project titled "Emergency Power Addition at Water Wells, 25, 43, 225, 282, 298, 299, 302 and 313", and authorizing the City Manager to execute the necessary documents recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-255 (Jackman/O'Bryant; unan) awarding the bid and approving a $599,555 contract with Industrial Electrical for the project titled "Emergency Power Addition at Water Wells, 25, 43, 225, 282, 298, 299, 302 and 313", and authorizing the City Manager to execute the necessary documents.

CONSENT
13. Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for the furnishing of elevator preventative maintenance service and repair, citywide, for a three-year agreement, with two one-year extension options, for an estimated annual cost of $56,985.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids for the furnishing of elevator preventative maintenance service and repair, citywide, for a three-year agreement, with two one-year extension options, for an estimated annual cost of $56,985 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Reso No 2004-256 (Jackman/O'Bryant; unan) authorizing the Purchasing Supervisor to formally solicit Request for Bids for the furnishing of elevator preventative maintenance service and repair, citywide, for a three-year agreement, with two one-year extension options, for an estimated annual cost of $56,985.

CONSENT
14. Consider authorizing the Purchasing Supervisor to issue a Request for Proposals (RFP) for uniforms and laundry services for an initial one-year contract period, with four one-year contract extension options for an approximate annual cost of $116,782.
· Resolution authorizing the Purchasing Supervisor to issue a Request for Proposals (RFP) for uniforms and laundry services for an initial one-year contract period, with four one-year contract extension options for an approximate annual cost of $116,782 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Reso No 2004-257 (Jackman/O'Bryant; unan) authorizing the Purchasing Supervisor to issue a Request for Proposals (RFP) for uniforms and laundry services for an initial one-year contract period, with four one-year contract extension options for an approximate annual cost of $116,782.

CONSENT
15. Consider authorizing the award of bid and contracts for concrete boxes and covers, cast iron covers and frames, and related accessories for a one-year period to the following vendors: Kenko Utility - estimated annual cost of $122,445; Groeniger - estimated annual cost of $548; General Plumbing - estimated cost of

$320. The combined total approximate annual cost is $123,312, and funds are budgeted.
· Resolution authorizing the award of bid and contracts for concrete boxes and covers, cast iron covers and frames, and related accessories for a one-year period to the following vendors: Kenko Utility - estimated annual cost of $122,445; Groeniger - estimated annual cost of $548; General Plumbing - estimated cost of $320 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Reso No 2004-258 (Jackman/O'Bryant; unan) authorizing the award of bid and contracts for concrete boxes and covers, cast iron covers and frames, and related accessories for a one-year period to the following vendors: Kenko Utility - estimated annual cost of $122,445; Groeniger - estimated annual cost of $548; General Plumbing - estimated cost of $320.

CONSENT
16. Consider Fire Apparatus Maintenance Contract with Stanislaus Consolidated Fire Protection District.
· Resolution approving Fire Apparatus Maintenance Contract with Stanislaus Consolidated Fire Protection District recommended.
Fire; James Miguel, 572-9670, jmiguel@modestogov.com

ACTION: Reso No 2004-259 (Jackman/O'Bryant; unan) approving Fire Apparatus Maintenance Contract with Stanislaus Consolidated Fire Protection District.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

17. Consider a letter received from Kenneth Diehl and Jeffrey Diehl regarding waiver of the capital facilities fees for a tentative 14-unit low-income senior housing complex at 421 Lincoln Avenue.

ACTION: By motion Jackman/Keating; unan. referred to the Capital Facilities Fees staff for review and to return to the City Council when the review is complete.

UNFINISHED BUSINESS

18. Consider providing direction to staff on water rate issues.
· Motion providing direction to staff on water rate issues recommended.
Engineering & Transportation; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directed staff to move toward metering water for all residential customers, to develop a plan for metering of the city-owned systems with implementation over a 10-15 year period and return to Council with the plan, to include a CPI increase in the current 218 process for Water for years six and beyond, and to begin the process to charge churches and schools at a metered rate with implementation by January 1, 2005.

HEARINGS

19. Hearing to consider calling a special election to amend the existing Rate and Method of Apportionment for City of Modesto Community Facilities District No. 2003-1 (Fairview Village); Consider declaring the results of a special election to amend the

existing Rate and Method of Apportionment for City of Modesto Community Facilities District No. 2003-1 (Fairview Village) and changing said Rate and Method; and Consider introduction of an ordinance repealing Ordinance 3339-C.S. and authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2003-1 (Fairview Village).
· Resolution of Consideration to alter the existing rate and method of apportionment of special tax for City of Modesto Community Facilities District No. 2003-1 (Fairview Village) recommended.
· Resolution declaring the results of a special election to amend the existing Rate and Method of Apportionment for City of Modesto Community Facilities District No. 2003-1 (Fairview Village) and changing said Rate and Method recommended.
· Motion introducing an ordinance repealing Ordinance 3339-C.S. and authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2003-1 (Fairview Village) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-260 (Keating/Hawn; unan.), a Resolution of Consideration to alter the existing rate and method of apportionment of special tax for City of Modesto Community Facilities District No. 2003-1 (Fairview Village).

ACTION: Reso No 2004-261 (Keating/Hawn; unan.) declaring the results of a special election to amend the existing Rate and Method of Apportionment for City of Modesto Community Facilities District No. 2003-1 (Fairview Village) and changing said Rate and Method

ACTION: By Motion (Keating/Hawn; unan.) **introduced Ordinance No. 3348-C.S.**, an ordinance repealing Ordinance 3339-C.S. and authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2003-1 (Fairview Village)

20. Hearing to consider approving an increase of 2.1% for the Airport's general aviation rates and fees for aircraft storage hangars, large aircraft hangars, offices and aircraft tie-down spaces, effective July 1, 2004, and rescinding Resolution 2003-267.
· Resolution approving an increase of 2.1% for the Airport's general aviation rates and fees for aircraft storage hangars, large aircraft hangars, offices and aircraft tie-down spaces, effective July 1, 2004, and rescinding Resolution 2003-267 recommended.
Engineering & Transportation; Van Switzer, 577-5318, vswitzer@modestogov.com

ACTION: Reso No 2004-262 (Jackman/Keating; unan.) approving an increase of 2.1% for the Airport's general aviation rates and fees for aircraft storage hangars, large aircraft hangars, offices and aircraft tie-down spaces, effective July 1, 2004, and rescinding Resolution 2003-267.

21. Hearing to consider approving the draft 2004-2005 HUD Annual Action Plan for the use of Community Development Block Grant (CDBG), HOME Partnership Grant (HOME), and Emergency Shelter Grant (ESG) funds, and authorizing the City Manager or his designee to sign the required documents for submittal to the Department of Housing & Urban Department (HUD).
· Resolution approving the draft 2004-2005 HUD Annual Action Plan for the use of Community Development Block Grant (CDBG), HOME Partnership Grant (HOME), and Emergency Shelter Grant (ESG) funds, and authorizing the City Manager or his designee to sign the required documents for submittal to the Department of Housing & Urban Department (HUD) recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Reso No 2004-263 (Jackman/Keating; unan.) approving the draft 2004-2005 HUD Annual Action Plan for the use of Community Development Block Grant (CDBG), HOME Partnership Grant (HOME), and Emergency Shelter Grant (ESG) funds,

and authorizing the City Manager or his designee to sign the required documents for submittal to the Department of Housing & Urban Department (HUD).

22. Hearing to consider approving the proposed second amendment to the Department of Housing & Urban Development (HUD) Annual Action Plan for 2003-2004, and authorizing the City Manager to execute related documents; and Consider amending the 2003-2004 operating budget to reflect approved changes to the HUD Annual Action Plan, to include adjustments to prior year's carryover revenues and appropriations.
· Resolution approving the proposed second amendment to the Department of Housing & Urban Development (HUD) Annual Action Plan for 2003-2004, and authorizing the City Manager to execute related documents recommended.
· Resolution amending the 2003-2004 operating budget to reflect approved changes to the HUD Annual Action Plan, to include adjustments to prior year's carryover revenues and appropriations recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Reso No 2004-264 (O'Bryant/Keating; unan.) approving the proposed second amendment to the Department of Housing & Urban Development (HUD) Annual Action Plan for 2003-2004, and authorizing the City Manager to execute related documents

ACTION: Reso No 2004-265 (O'Bryant/Keating; unan.) amending the 2003-2004 operating budget to reflect approved changes to the HUD Annual Action Plan, to include adjustments to prior year's carryover revenues and appropriations.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 7:10 p.m.

CLOSED SESSION

Removed from the agenda.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

****

Removed from the agenda

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
One Case: (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Preston Brandon v. City of Modesto, et al.
Superior Court Case No. 339797

****

This closed session item heard prior to the meeting.

CONFERENCE WITH PROPERTY NEGOTIATOR:
(Pursuant to Section 54956.8 of the Government Code)

Property: Purchase, sale or lease of property located within the blocks bounded by "B", "D", Ninth and Eleventh Streets in the City of Modesto

Owner: Union Pacific Railroad Company - APN: 106-46-03

Negotiating parties: For City of Modesto: Rich Ulm Deputy Director Engineering & Transportation

Union Pacific Railroad, Owner

Under negotiation: Price and terms of payment for property to be acquired

---

CFD
138.96

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO**, County Of **STANISLAUS**, State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

JUNE 14, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

JUNE 14, 2004

Esther Gomez
(Signature)

RECEIVED
JUL 14 2004
CITY MANAGER/CFD

CITY OF MODESTO

NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.20041 (VILLAGE ONE#2),AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.1

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on May 11, 2004, adopt its Resolution No.2004249 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of 6 parcels identified by reference to Stanislaus County Assessor Parcels, as follows: A.P. Nos. 077-008-03), -034, -035, -056, -057, and 014, respectively.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2004-249. The time and place for the hearing is Tuesday, June 22, 2004, at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the Annexed Territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2004249. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)577-5211.

Dated: May 12, 2004
Jean Zohr
City Clerk
JUNE 14, 2004

CERTIFICATE OF COUNTY ASSESSOR
OF THE COUNTY OF STANSILAUS

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

1. I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), as Annexation No. 2, the map of which is recorded in the Office of the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at page 91.

2. The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll or as otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

June 21, 2004
Date of Execution

Modesto, California
Place of Execution

CITY OF MODESTO
Community Facilities District No. 2004-1
Annexation No. 2

Assessor's Parcel Numbers	Owner's Name	Owner's Address
077-008-031 077-008-034 077-008-035	Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000	17500 East Keyes Rd. Denair, CA 95316
077-009-014 077-009-057 077-009-056	SCC-Canyon II LLC	401 Wilshire Boulevard, Suite 850 Santa Monica, CA 90401

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus certify, pursuant to Section 53326 of the California Government Code, as follows:

(A) I have reviewed the attached Annexation Map No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Annexed Territory").

(B) On June 7, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 3 persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan, Clerk-Recorder

June 21, 2004
Date of Execution

Modesto, California
Place of Execution

SF1 1394436v2 47922/29

EXHIBIT A

ANNEXATION MAP NO.2 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

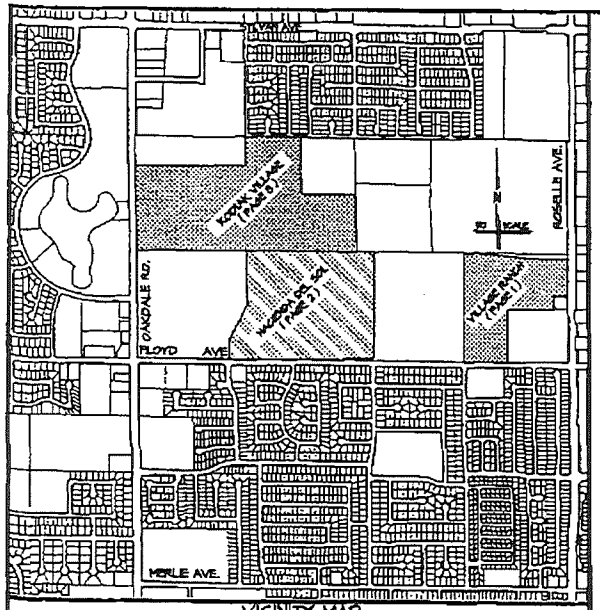
PREPARED BY:

DELAMARE-FULTZ

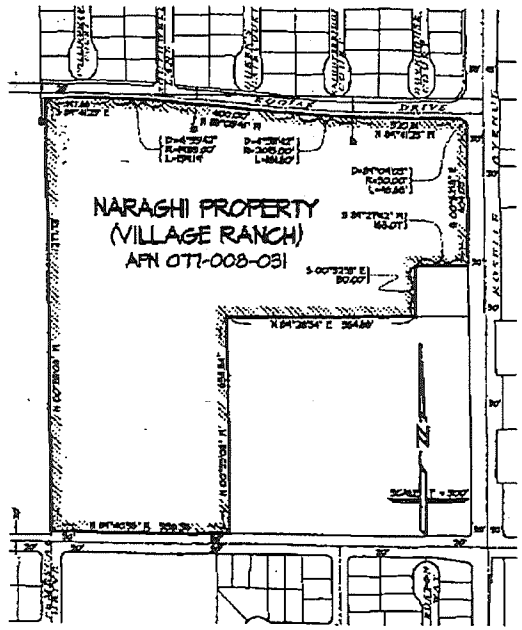
ENGINEERING AND SURVEYING

4421 TULLY ROAD SUITE J MODESTO, CA 95356

TELEPHONE (209) 545-7450



VICINITY MAP
(NO SCALE)



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 18, 2004, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO.1 TO THE DISTRICT WAS RECORDED ON MARCH 29, 2004, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN SAID OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION #2 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, HAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO

AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 200__,

BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO

SHOWING THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____, 2004,

AT THE HOUR OF _____ O'CLOCK ____ M.

IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY

FACILITIES DISTRICTS AT PAGES/ _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEE LUNDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

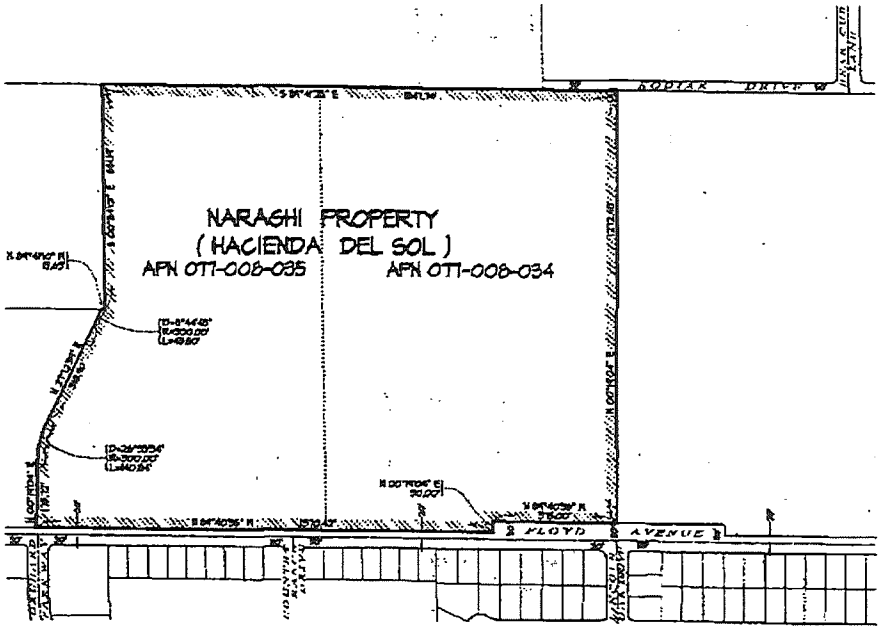
PRINT NAME

SHEET 1 OF 3 SHEETS

ANNEXATION MAP NO.2 OF
COMMUNITY FACILITIES DISTRICT NO.2004-1
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING
9481 TULLY ROAD SUITE J MODESTO, CA 95350
TELEPHONE (209) 545-7456



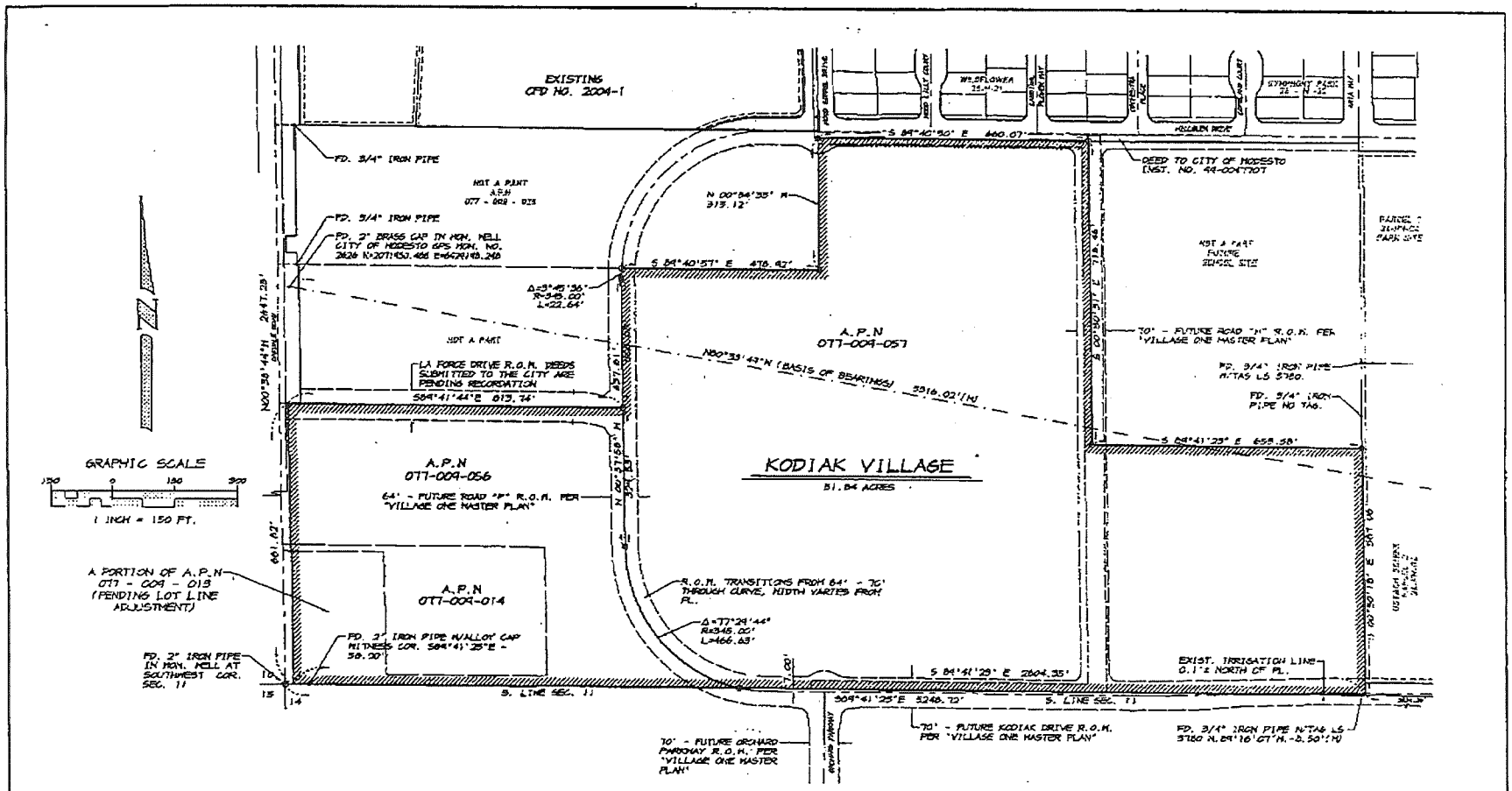
LEGEND
BOUNDARY OF PROPERTY TO BE ANNEXED

SCALE 1" = 300'

SHEET 2 OF 3 SHEETS

A-2

SF1 1394436v2 47922/29



ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BASIS OF BEARINGS

THE BEARING OF SOUTH 00°33'49" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 2626 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929741) TO OBTAIN GRID DISTANCES, BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (b).

ASSOCIATED ENGINEERING GROUP, INC.
4256 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-2294 • FAX: (209) 545-3273

SHEET 3 OF 3

A-3

Naraghi
A.P. Nos. 077-008-031,
077-008-034 and
077-008-035

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 2

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowner") declares as follows:

1. The undersigned is the owner of Assessor's Parcel Numbers 077-008-031, 077-008-034 and 077-008-035 (the "Property") being land proposed to be annexed, as part of Annexation No. 2, to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-249 (the "Resolution of Intention to Annex"), adopted on May 11, 2004. The land proposed to be annexed to the District as Annexation No. 2 is described in the map attached as Exhibit A.

The Landowner acknowledges that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowner has had sufficient time to consider and reflect on its choices in the election.

2. Landowner expressly waives:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowner certifies there are 0 registered voters residing on the Property.

4. Landowner further certifies that title to the Property is held as follows: Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000.

5. Landowner declares that **[Landowner to check one, and complete as appropriate]**:

a. x There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowner designates Wendell Naraghi as its authorized representative for the purpose of voting its interests at the special election. The designated representative's mailing address is: P.O. Box 7 Escalon, CA 95320.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: June 3, 2004

LANDOWNER: Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000

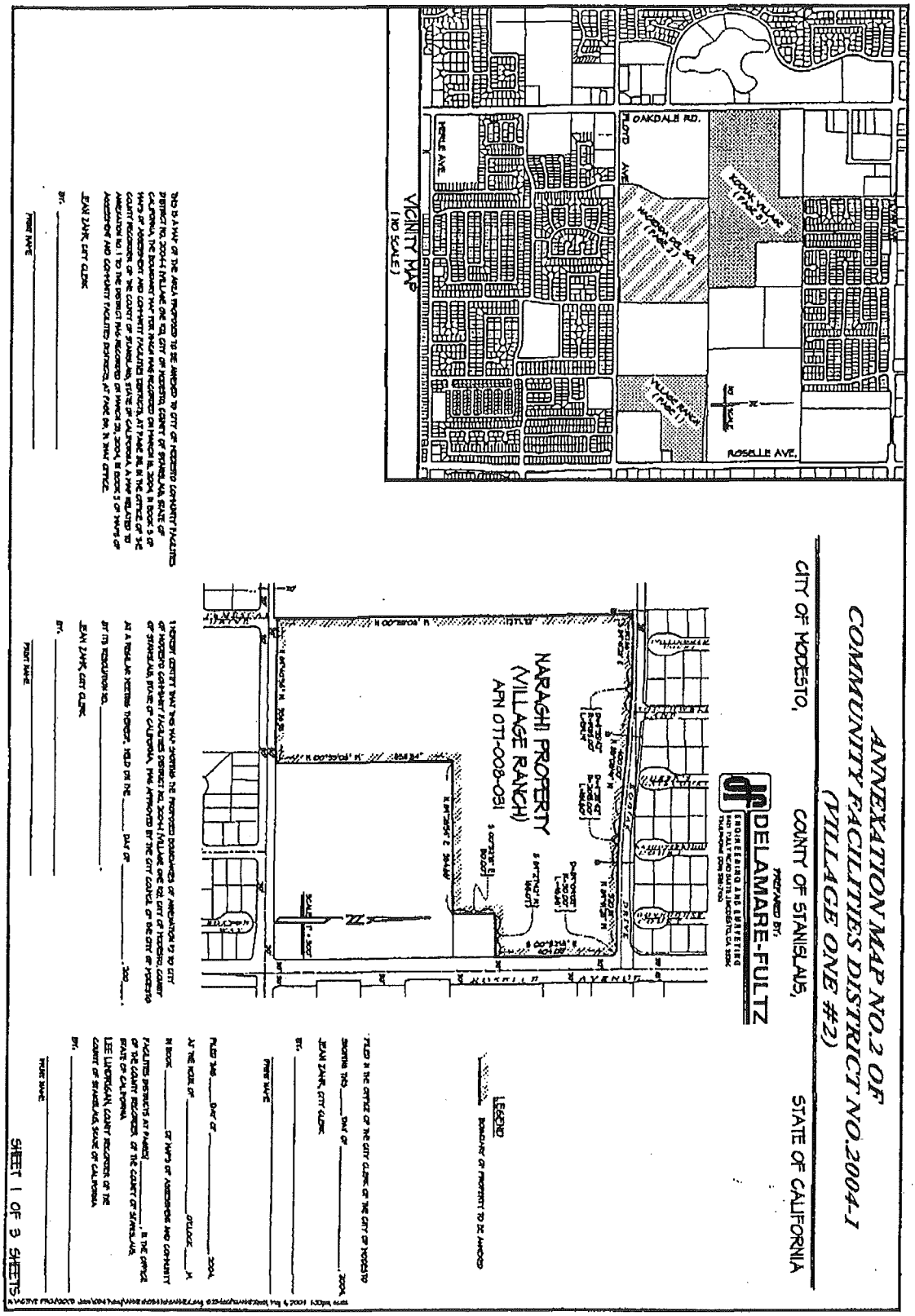
By: _____
Name: Hashem Naraghi

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1394175v2

EXHIBIT A

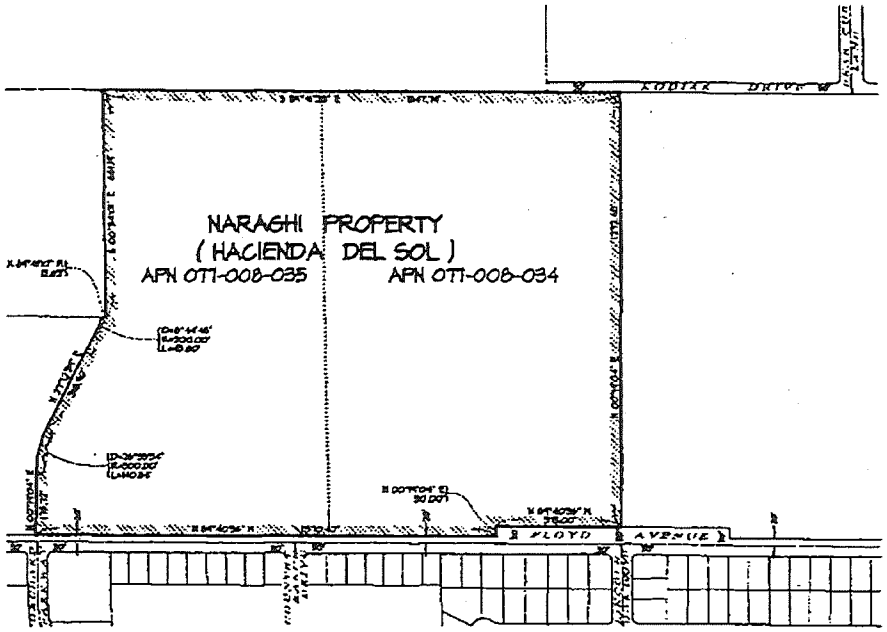


SF1 1394175v2

ANNEXATION MAP NO.2 OF
COMMUNITY FACILITIES DISTRICT NO.2004-1
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING
[illegible] FULTZ ROAD SUITE J MODESTO, CA [illegible]
TELEPHONE [illegible]



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

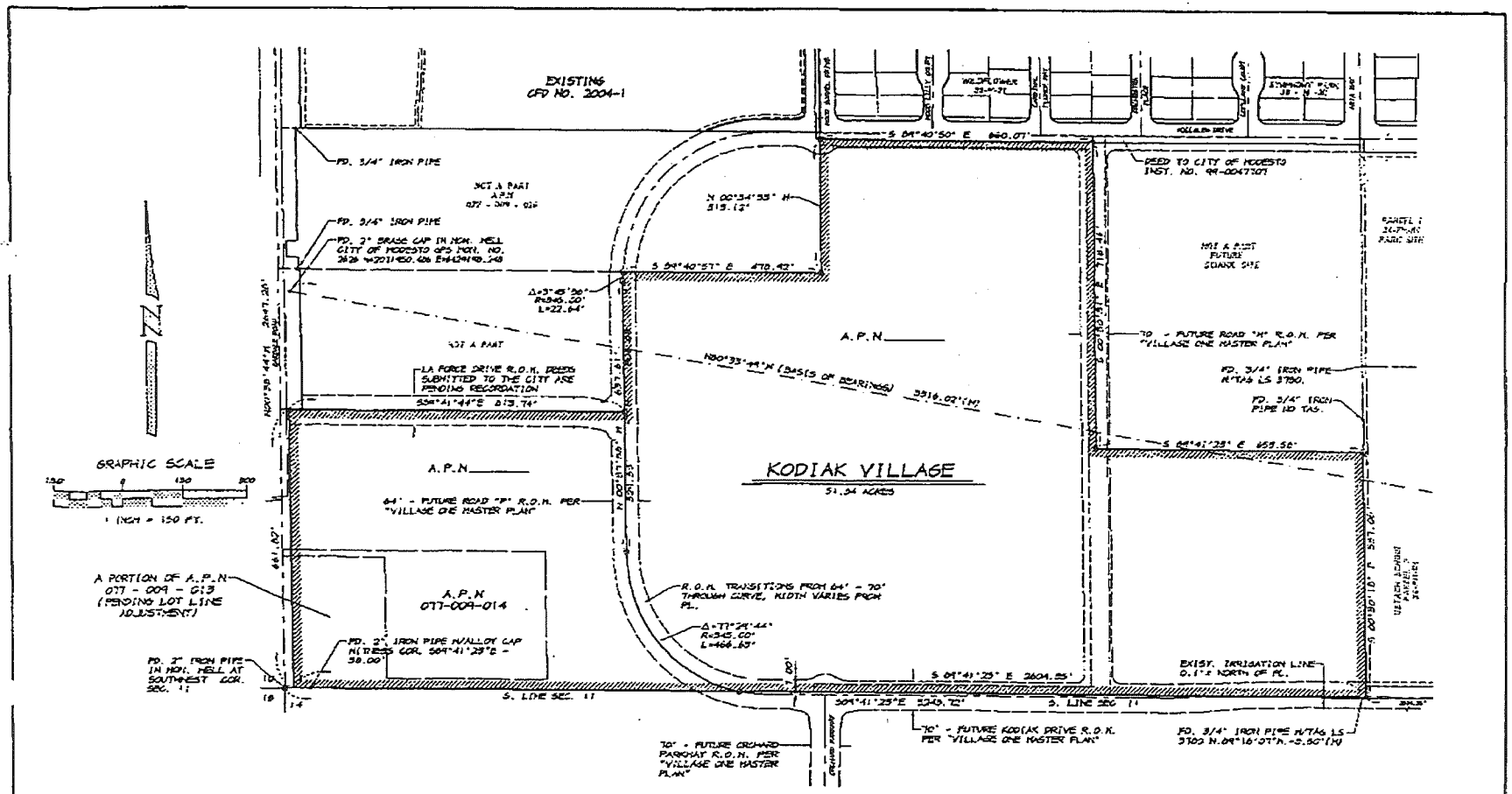
N

SCALE: 1" = 300'

SHEET 2 OF 3 SHEETS

A-2

SF1 1394175v2



ANNEXATION MAP NO. 2 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-01
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BASIS OF BEARINGS

THE BEARING OF SOUTH 00°33'44" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 2626 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 31, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929793) TO OBTAIN GRID DISTANCES, BASED ON THE 1983 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (3).

ASSOCIATED ENGINEERING GROUP, INC.
4206 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-1350 • FAX: (209) 545-1825

SHEET 3 OF 3

A-3

SF1 1394175v2

JCC-Canyon II, LLC
A.P. Nos. 077-009-056,
077-009-057 and
077-009-014

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 2

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowner") declares as follows:

1. The undersigned is the owner of Assessor's Parcel Numbers 077-009-056, 077-009-057 and 077-009-014 (the "Property") being land proposed to be annexed, as part of Annexation No. 2, to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-249 (the "Resolution of Intention to Annex"), adopted on May 11, 2004. The land proposed to be annexed to the District as Annexation No. 2 is described in the map attached as Exhibit A.

The Landowner acknowledges that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowner has had sufficient time to consider and reflect on its choices in the election.

2. Landowner expressly waives:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowner certifies there are Ø registered voters residing on the Property.

4. Landowner further certifies that title to the Property is held as follows: SCC-Canyon, II, LLC.

5. Landowner declares that **[Landowner to check one, and complete as appropriate]**:

a. ___ There is no deed of trust or other secured interest encumbering any of the Property.

b. ✓ There is a deed of trust or other secured interest, dated April 13, 2004, and recorded on April 16, 2004, as document number 2004-56174 in the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: Bank One, N.A. 201 North Central Avenue, 14th Floor, Phoenix, AZ 85004; the name and address of the Trustee thereunder is: Bank One, N.A. 201 North Central Avenue, 14th Floor, Phoenix, AZ 85004.

c. ✓ There is a deed of trust or other secured interest, dated May 21, 2004, and recorded on May 28, 2004, as document number 2004-83267 in the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: Bank One, N.A. 201 North Central Avenue, 14th Floor, Phoenix, AZ 85004; the name and address of the Trustee thereunder is: Bank One, N.A. 201 North Central Avenue, 14th Floor, Phoenix, AZ 85004.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowner designates Mike Evans, Project Manger for Meritage Homes as its authorized representative for the purpose of voting its interests at the special election. The designated representative's mailing address is: c/o Meritage Homes, 1800 Sutter Street, Suite 500, Concord, CA 94520.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 6/2, 2004

LANDOWNER: SCC-Canyon II, LLC

By: [signature]
Name: DANIEL C. HAYES
Title: EVP

By: [signature]
Name: H. Leigh Austin
Title: Pres.

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1394442v3 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2004-249 (the "Resolution") to annex certain territory (Annexation No. 2) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 6/3/, 2004

BANK ONE NA. A NATIONAL BANKING ASSOCIATION.
_____, ~~a California~~
_____ ("Lender")

By: _____
Name: STEVEN A. STREHLOW
Title: VICE PRESIDENT

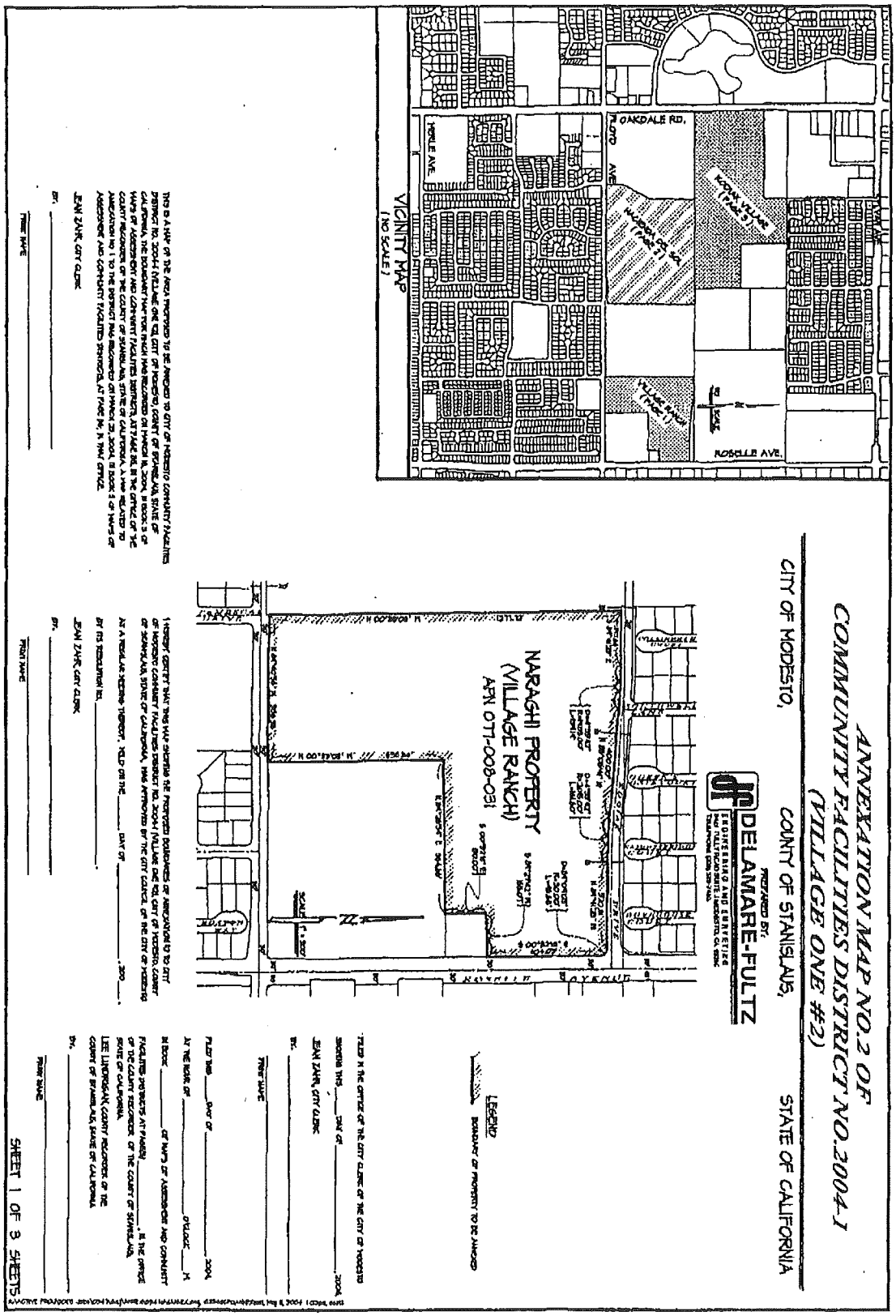
By: _____
Name: LEAH MOST
Title: VICE PRESIDENT

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1394442v3 47922/29

EXHIBIT A

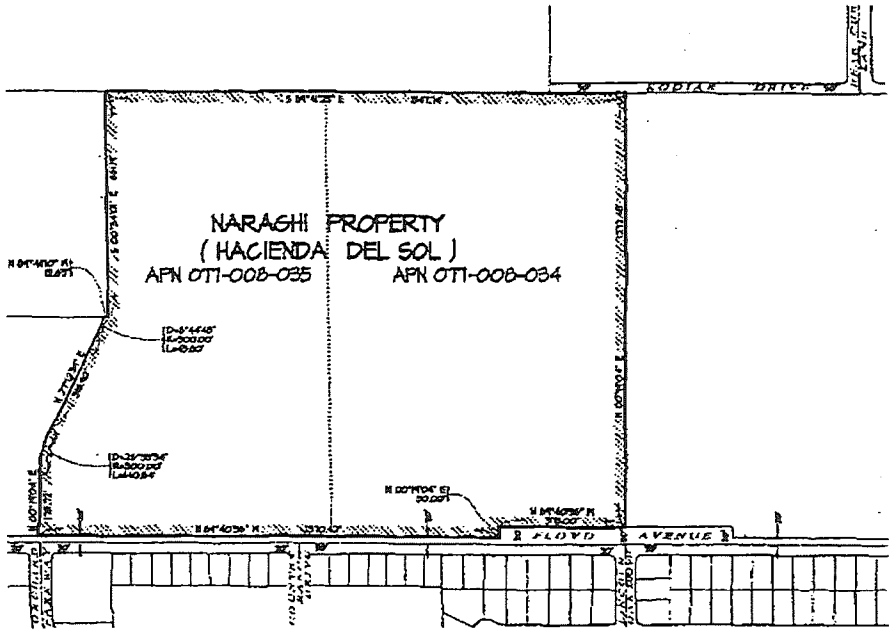


SF1 1394442v3 47922/29

ANNEXATION MAP NO.2 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING



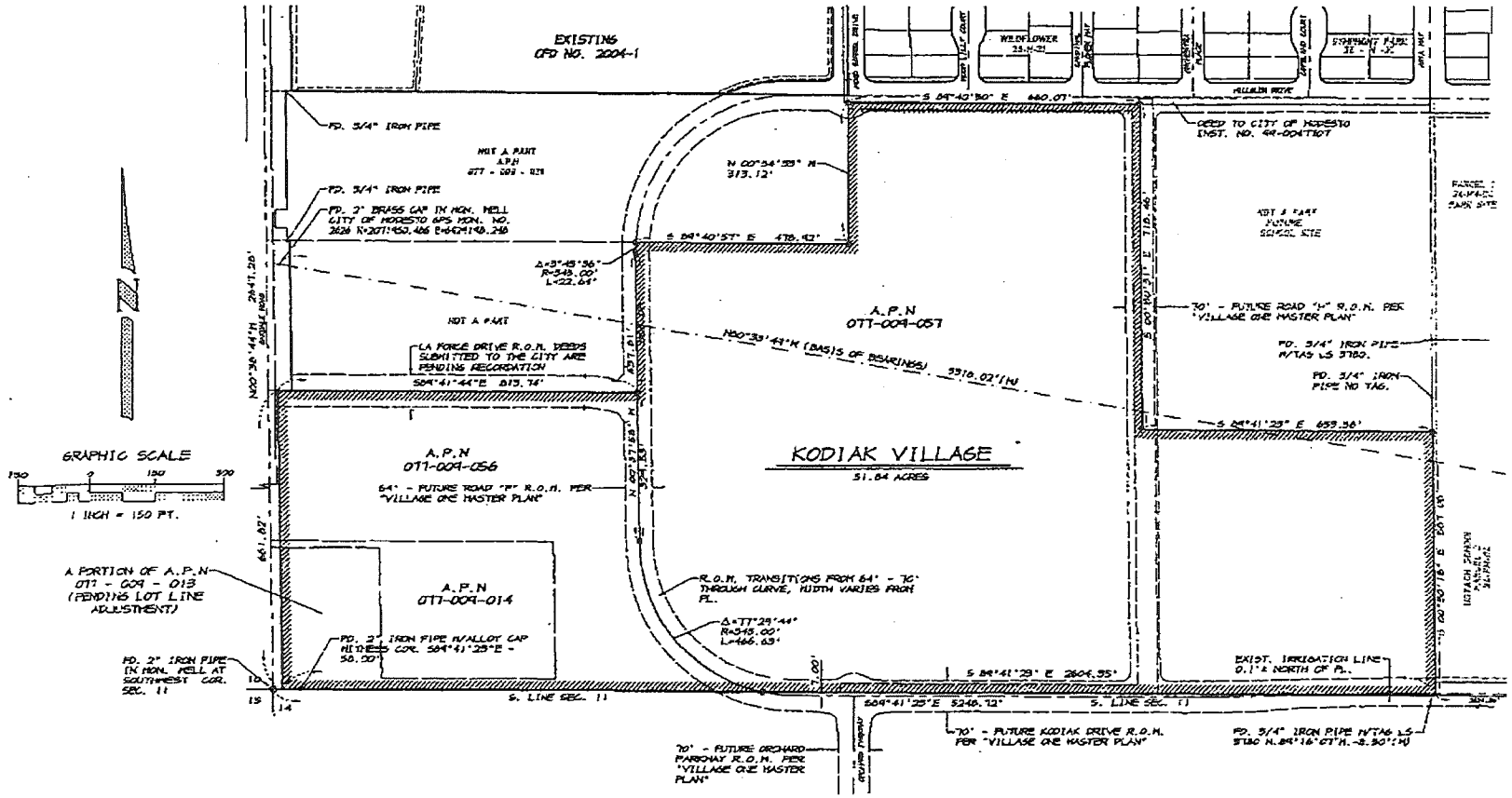
LEGEND
BOUNDARY OF PROPERTY TO BE ANNEXED

SCALE 1" = 500'

SHEET 2 OF 3 SHEETS

A-2

SF1 1394442v3 47922/29



ANNEXATION MAP NO. 2 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-01
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BASIS OF BEARINGS

THE BEARING OF SOUTH 00°39'49" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO'S 2626 AND 2627 AS CALCULATED FROM DATA SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929797) TO OBTAIN GRID DISTANCES. BASED ON THE 1983 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (B).

ASSOCIATED ENGINEERING GROUP, INC.
4206 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-2398 • FAX: (209) 545-2975

SHEET 3 OF 3

A-3

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. _____, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 2)," adopted by the City Council of the City of Modesto on June 22, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On June 10, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 2. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: June 10, 2004

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

Name and address of Authorized Representative to which a ballot was personally delivered or mailed.

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000 3421 Tully Road, Suite J Modesto, CA 95350	Wendell Naraghi P.O. Box 7 Escalon, CA 95320	1	73
SCC-Canyon II, LLC 401 Wilshire Boulevard, Suite 850 Santa Monica, CA 90401	Mike Evans c/o Meritage Homes 1800 Sutter Street, Suite 500 Concord, CA 94520	2	52

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

June 10, 2004

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto **not later than noon, June 22, 2004**. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 2

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

June 22, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 2, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on June 22, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

SPECIAL TAX ELECTION

June 22, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

SPECIAL TAX ELECTION

June 22, 2004

59% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 73
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 1

59% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 73 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, Wendell Naraghi, certify as follows:

(1) I am the Authorized Representative of Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 077-008-031, 077-008-034 and 077-008-035 (the "Parcels"), which comprise approximately 73.00 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

Wendell Naraghi
P.O. Box 7
Escalon, CA 95230
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

SPECIAL TAX ELECTION

June 22, 2004

41% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 52
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 2

41% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 52 VOTES

AUTHORIZATION
(BALLOT NO. 2)

I, Mike Evans, certify as follows:

(1) I am the Authorized Representative of SCC-Canyon II, LLC, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 077-009-056, 077-009-057 and 077-009-014 (the "Parcels"), which comprise approximately _____51.16_____ acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, California.

_____
Signature of Authorized Representative (Voter)

Mike Evans
c/o Meritage Homes
1800 Sutter Street, Suite 500
Concord, CA 94520
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-326

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 2)

WHEREAS, this Council did, on May 11, 2004, adopt its Resolution No. 2004-249 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on May 21, 2004, in the Office of the County Recorder of the County of Stanislaus, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 91; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowners.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the landowners.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. ___

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

SPECIAL TAX ELECTION

June 22, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST ___
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐
NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF __ VOTES

City Clerk's Office

Minutes

City Council Chambers,
Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 22, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Ross Briles-Sherwood Bible Church

City Clerk's Announcements Item 7 removed from Consent
Item 29 removed from the agenda

Declaration of Conflicts of Interest - Item 10 - Hawn
Item 13 and 23 Claus Neighborhood Park - Marsh

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Pam Marquez, Senior Civil Engineer in Capital Improvement Services - Construction Administration.

ACTION: Introduction made by Peter Cowles.

MISCELLANEOUS
Appointments

2. Consider appointing Sam Pierstorff as the Poet Laureate of the City of Modesto for a two-year term from July 1, 2004 to June 30, 2006.
· Resolution appointing Sam Pierstorff as the Poet Laureate of the City of Modesto for a two-year term from July 1, 2004 to June 30, 2006 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella; 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-304 (Keating/Jackman; unan.) appointing Sam Pierstorff as the Poet Laureate of the City of Modesto for a two-year term from July 1, 2004 to June 30, 2006

3. Consider accepting with regret the resignation of Ed Lopes from the Equal Opportunity/Disability Commission.

· Resolution accepting with regret the resignation of Ed Lopes from the Equal Opportunity/Disability Commission recommended.
City Manager's Office; Esther Puckett; 571-5101, epuckett@modestogov.com

ACTION: Resolution 2004-305 (Jackman/Hawn; unan.) accepting with regret the resignation of Ed Lopes from the Equal Opportunity/Disability Commission.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Robert Ferrace spoke regarding Desarallo Latino Americano.
· Jeremiah Williams invited the Council to a Celebration of Dads on June 26 at Marshall Park sponsored by the Weed and Seed Coalition.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 20

ACTION Consent 4- 6, 8, 9, 11, 12, 14- 20: Jackman/O'Bryant; unan.

ACTION Item 7: Jackman/Keating; unan.

ACTION Item 10: Keating/Jackman; unan. Hawn, absent due to Conflict of Interest

ACTION Item 13: Keating/Jackman; unan. Marsh, absent due to Conflict of Interest

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of June 8, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/O'Bryant; unan.) approved the minutes of June 8, 2004.

CONSENT
5. Consider amending the contract with Maze & Associates for performance of the City's annual financial audits. The amendment allows the firm to be paid for an unanticipated additional federal program audit in the 2003 Single Audit; for audits of two additional Community Facilities Districts, and two additional federal programs as part of the Single Audit, for 2004 and 2005. Additional cost for 2003 is $5,155, for 2004 is $17,126, and for 2005 is $17,656. Contract provisions call for compensation adjustments for additional work. Approval authorizes the City Manager to execute the amendment.
· Adopt a resolution approving an amendment to the contract for audit services with Maze and Associates at additional cost not to exceed $5,155 for 2003, $17,126 for 2004, and $17,656 for 2005, for additional services, and authorizing the City Manager to execute the amendment.
City Clerk & Auditor; Gary Nienhuis; 571-5544; gnienhuis@modestogov.com

ACTION: Resolution 2004-306 (Jackman/O'Bryant; unan.) approving an amendment to the contract for audit services with Maze and Associates at additional cost not to exceed $5,155 for 2003, $17,126 for 2004, and $17,656 for 2005, for additional

services, and authorizing the City Manager to execute the amendment.

CONSENT
6. Consider adopting a resolution amending the City's Policies and Procedures for Formation, Annexation, and Administration of Community Facilities Districts Created Pursuant to the Provisions of the Mello Roos Community Facilities Act of 1982.
· Resolution amending the City's Policies and Procedures for Formation, Annexation, and Administration of Community Facilities Districts Created Pursuant to the Provisions of the Mello Roos Community Facilities Act of 1982 recommended.
City Manager-CFD; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-307 (Jackman/O'Bryant; unan) amending the City's Policies and Procedures for Formation, Annexation, and Administration of Community Facilities Districts Created Pursuant to the Provisions of the Mello Roos Community Facilities Act of 1982

Removed from Consent
7. Consider adopting a resolution approving the contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $50,000, and authorizing the City Manager to execute said amendment.
· Resolution approving the contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $50,000, and authorizing the City Manager to execute said amendment recommended.
Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 2004-308 (Jackman/Keating; unan) approving the contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $50,000, and authorizing the City Manager to execute said amendment

CONSENT
8. Consider rejecting the sole bid of $944,176 from George Reed, Inc., for the project titled "Extend Corporate and Reconstruct Transient Aircraft Aprons," and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the sole bid of $944,176 from George Reed, Inc., for the project titled "Extend Corporate and Reconstruct Transient Aircraft Aprons," and authorizing staff to re-advertise the project at a future date.
Engineering & Transportation; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-309 (Jackman/O'Bryant; unan.) rejecting the sole bid of $944,176 from George Reed, Inc., for the project titled "Extend Corporate and Reconstruct Transient Aircraft Aprons," and authorizing staff to re-advertise the project at a future date.

CONSENT
9. Consider accepting the work by George Reed, Inc., for the "Runway 10L-28R Pavement Improvements and Runway Light Fixture Replacement" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,009,102.05 per the contract. Total project cost is $1,217,681.02.
· Resolution accepting the work by George Reed, Inc., for the "Runway 10L-28R Pavement Improvements and Runway Light Fixture Replacement" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,009,102.05 per the contract recommended.
Engineering & Transportation; Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2004-310 (Jackman/O'Bryant; unan.) accepting the work by

George Reed, Inc., for the "Runway 10L-28R Pavement Improvements and Runway Light Fixture Replacement" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,009,102.05 per the contract

Councilmember Hawn absent due to Conflict of Interest
10. Consider a resolution awarding the bid and approving a $246,900 contract with Collins Electrical Company, Inc., for the project titled "Centre Plaza Lighting Controls," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $294,342.
· A resolution awarding the bid and approving a $246,900 contract with Collins Electrical Company, Inc., for the project titled "Centre Plaza Lighting Controls," and authorizing the City Manager to execute the contract recommended.
Engineering & Transportation; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-311 (Jackman/Keating; unan. Hawn absent) awarding the bid and approving a $246,900 contract with Collins Electrical Company, Inc., for the project titled "Centre Plaza Lighting Controls," and authorizing the City Manager to execute the contract

CONSENT
11. Consider awarding the bid and approving a $107,651.00 contract with Kroeker, Inc., for the project titled "Demolition of Buildings on 8th Street" for the new bus maintenance facility, waiving a minor bid irregularity and authorizing the City Manager to execute the contract. Total estimated cost of this demolition project is $131,334.22.
· A resolution awarding the bid and approving a $107,651.00 contract with Kroeker, Inc., for the project titled "Demolition of Buildings on 8th Street" for the new bus maintenance facility, waiving a minor bid irregularity and authorizing the City Manager to execute the contract recommended.
Engineering & Transportation; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-312 (Jackman/O'Bryant; unan) awarding the bid and approving a $107,651.00 contract with Kroeker, Inc., for the project titled "Demolition of Buildings on 8th Street" for the new bus maintenance facility, waiving a minor bid irregularity and authorizing the City Manager to execute the contract

CONSENT
12. Consider awarding the bid and approving a $249,130.00 contract with Clayborn Contracting Group, Inc., for the project titled, "Relocation of GAC Filters to Well 50," and authorizing the City Manager to execute the contract. Total estimated project cost is $298,956.00.
· Resolution awarding the bid and approving a $249,130.00 contract with Clayborn Contracting Group, Inc., for the project titled, "Relocation of GAC Filters to Well 50," and authorizing the City Manager to execute the contract. Total estimated project cost is $298,956.00.
· Resolution amending the FY 2003-2004 Capital Improvement budget to:
1) Reduce project account number 6100-430-A03, Wellhead Treatment Zone 1, by $14,812 and return $14,812.00 to the Water Fund Reserves; and
2) Reappropriate $14,812 moved to the Water Fund Reserves to project account number 6100-480-Q211, Acquire Property/Install GAC at Well 50, thereby fully funding the project titled "Relocation of GAC Filters to Well 50."
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-313 (Jackman/O'Bryant; unan) awarding the bid and approving a $249,130.00 contract with Clayborn Contracting Group, Inc., for the project titled, "Relocation of GAC Filters to Well 50," and authorizing the City Manager to execute the contract

ACTION: Resolution 2004-314 (Jackman/O'Bryant; unan) amending the FY 2003-2004 Capital Improvement budget to:
1) Reduce project account number 6100-430-A03, Wellhead Treatment Zone 1, by $14,812 and return $14,812.00 to the Water Fund Reserves; and
2) Reappropriate $14,812 moved to the Water Fund Reserves to project account number 6100-480-Q211, Acquire Property/Install GAC at Well 50, thereby fully funding the project titled "Relocation of GAC Filters to Well 50."

Councilmember Marsh absent due to Conflict of Interest
13. Consider accepting the work by Clyde Wheeler Pipeline, Inc., for the "Hillglen Avenue Storm Drain" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $339,277.50 per the contract. Total project cost is $496.871.71.
· Resolution accepting the work by Clyde Wheeler Pipeline, Inc., for the "Hillglen Avenue Storm Drain" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $339,277.50 per the contract.
Engineering & Transportation; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2004-315 (Jackman/Keating; unan. Marsh absent) accepting the work by Clyde Wheeler Pipeline, Inc., for the "Hillglen Avenue Storm Drain" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $339,277.50 per the contract.

CONSENT
14. Consider (1) approving a one-year agreement, effective July 1, 2004, with the United Pentecostal Church of Modesto Revival Center to provide 75 general-public carpool parking spaces at a cost of $1,125 per quarter year, and (2) authorizing staff to negotiate lease agreements for park and ride lots to be used exclusively by patrons of the Modesto Area Express (MAX) commuter express routes to the Pleasanton BART station and the Manteca ACE train station, to be paid for out of the countywide apportionment of Local Transportation Fund (LTF) funds
· Resolution approving a one-year agreement, effective July 1, 2004, with the United Pentecostal Church of Modesto Revival Center, 825 7th Street, to provide 75 general-public carpool parking spaces at a cost of $1,125 per quarter year to be paid for out of the countywide apportionment of Local Transportation Fund (LTF) funds.
· Resolution authorizing staff to negotiate lease agreements for park and ride lots to be used exclusively by patrons of the Modesto Area Express (MAX) commuter express routes to the Pleasanton BART station and the Manteca ACE train station, to be paid for out of the countywide apportionment of Local Transportation Fund (LTF) funds.
Engineering & Transportation; Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: Resolution 2004-315A (Jackman/O'Bryant; unan.) approving a one-year agreement, effective July 1, 2004, with the United Pentecostal Church of Modesto Revival Center, 825 7th Street, to provide 75 general-public carpool parking spaces at a cost of $1,125 per quarter year to be paid for out of the countywide apportionment of Local Transportation Fund (LTF) funds.

ACTION: Resolution 2004-315B (Jackman/O'Bryant; unan)authorizing staff to negotiate lease agreements for park and ride lots to be used exclusively by patrons of the Modesto Area Express (MAX) commuter express routes to the Pleasanton BART station and the Manteca ACE train station, to be paid for out of the countywide apportionment of Local Transportation Fund (LTF) funds

CONSENT
15. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY04 budget adjustments for June 2004 recommended.

Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: Resolution 2004-316 (Jackman/O'Bryant; unan) approving FY04 budget adjustments for June 2004

CONSENT
16. Authorize the Risk Manager to bind excess workers' compensation insurance coverage in the amount of $244,127 as presented by the City's Broker of Record and authorizing the City Manger to execute the renewal agreement.
· Resolution authorizing the Risk Manager to bind excess workers' compensation insurance coverage in the amount of $244,127 as presented by the City's Broker of Record and authorizing the City Manager to execute the renewal agreement.
Personnel-Risk Management; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2004-317 (Jackman/O'Bryant; unan.) authorizing the Risk Manager to bind excess workers' compensation insurance coverage in the amount of $244,127 as presented by the City's Broker of Record and authorizing the City Manager to execute the renewal agreement

CONSENT
17. Consider authorizing the Risk Manager to bind Property and Boiler & Machinery insurance in the amount of $216,754 for City of Modesto owned and operated properties and authorizing the City Manager to execute the renewal agreement for the insurance.
· A resolution authorizing the Risk Manager to bind Property and Boiler & Machinery insurance in the amount of $216,754 for City of Modesto owned and operated properties and authorizing the City Manager to execute the renewal agreement for the insurance recommended.
Personnel-Risk Management; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2004-318 (Jackman/O'Bryant; unan.) authorizing the Risk Manager to bind Property and Boiler & Machinery insurance in the amount of $216,754 for City of Modesto owned and operated properties and authorizing the City Manager to execute the renewal agreement for the insurance.

CONSENT
18. Consider approving the request from the West Modesto King Kennedy Neighborhood Collaborative for a total of $175,000 in CDBG funds for a new "Collaborative Neighborhood Center Headquarters" at Mellis Park, and authorizing staff to negotiate a lease agreement.
· Resolution approving the request from the West Modesto King Kennedy Neighborhood Collaborative for a total of $175,000 in CDBG funds for a new "Collaborative Neighborhood Center Headquarters" at Mellis Park, and authorizing staff to negotiate a lease agreement recommended.
Parks, Recreation & Neighborhoods; Julie Hannon; 577-5417; jhannon@modestogov.com

ACTION: Resolution 2004-319 (Jackman/O'Bryant; unan.) approving the request from the West Modesto King Kennedy Neighborhood Collaborative for a total of $175,000 in CDBG funds for a new "Collaborative Neighborhood Center Headquarters" at Mellis Park, and authorizing staff to negotiate a lease agreement.

CONSENT
19. Consider approving a third amendment to agreement with Modesto Sister Cities International to decrease funding by 10% and authorize the City Manager to execute the agreement.
· Resolution approving a third amendment to agreement with Modesto Sister Cities

International to decrease funding by 10% and authorize the City Manager to execute the agreement.
Parks, Recreation & Neighborhoods; Debbie Conder; 577-5391; dconder@modestogov.com

ACTION: Resolution 2004-320 (Jackman/O'Bryant; unan) approving a third amendment to agreement with Modesto Sister Cities International to decrease funding by 10% and authorize the City Manager to execute the agreement.

CONSENT
20. Consider approving a three-year renewal agreement with Community Reinvestment Fund, Inc. for loan servicing of existing and future loans and authorizing the City Manager to execute the agreement.
· Resolution approving a three-year renewal agreement with Community Reinvestment Fund, Inc. for loan servicing of existing and future loans and authorizing the City Manager to execute the agreement.
Parks, Recreation & Neighborhoods; Julie Hannon; 577-5417; jhannon@modestogov.com

ACTION: Resolution 2004-321 (Jackman/O'Bryant; unan) approving a three-year renewal agreement with Community Reinvestment Fund, Inc. for loan servicing of existing and future loans and authorizing the City Manager to execute the agreement

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

21. Letter from George Petrulakis regarding a request to process Claribel/Oakdale Neighborhood for placement on November 2, 2004 Election.

ACTION: By motion (O'Bryant/Hawn; majority Jackman and Dunbar no) directed staff to proceed with preparing necessary documents for a ballot measure and referred the matter to the Economic Development Committee meeting scheduled for July 12, 2004.

22. Letter from Dennis Wilson regarding a request for support for a County General Plan and Re-Zone request on Carpenter Road near Paradise.

ACTION: By motion (Dunbar/Keating; majority O'Bryant no.) this item was referred to the August Economic Development Committee.

UNFINISHED BUSINESS

23. Consider adopting the City's Fiscal Year 2004-2005 Operating Budget and Interim Capital Improvement Program budgets.
· Adoption of an ordinance adopting the City's Fiscal Year 2004-2005 Operating Budget and Interim Capital Improvement Program Budgets.
Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) **adopted Ordinance No. 3351-C.S.-** adopting the City's Fiscal Year 2004-2005 Operating Budget and Interim Capital Improvement Program Budgets.

Resolution 2004-322 (Hawn/Keating; unan.) establishing the calculation for the appropriation limit for the fiscal year 2004-2005 annual budget.

By motion (Hawn/Jackman; unan.) Marsh absent due to conflict of interest approved the funding for Claus Neighborhood Park.

HEARINGS

The following item was continued from the May 25, 2004 Council meeting
24. Hearing to consider the application of Signature Theatres, to rezone from Highway Commercial, C-3, to Planned Development Zone, P-D(566), to allow expansion of an existing movie theater, property located at 3969 McHenry Avenue.
· Introduction of an ordinance rezoning from C-3 to P-D(566) recommended.
· Resolution approving a development plan for P-D(566) recommended.
· Resolution finding the requested rezoning within the scope of the General Plan Master Environmental Impact Report recommended.
Community & Economic Development; Brad Wall, 577-5282, bwall@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introduced Ordinance No. 3352-C.S.** rezoning from C-3 to P-D(566)

ACTION: Resolution 2004-323 (Jackman/Dunbar; unan.) approving a development plan for P-D(566) with the condition that at the time McHenry Avenue is widened, the developer shall physically modify the project site to provide a minimum eight-foot-net landscaped setback for all parking areas along McHenry Avenue

ACTION: Resolution 2004-324 (Jackman/Dunbar; unan.) finding the requested rezoning within the scope of the General Plan Master Environmental Impact Report

Recess 7:00
Reconvene 7:12

25. Hearing to consider the appeal of Anthony Langford to a decision by the Planning Commission approving the Vesting Tentative Subdivision Map of Papillon Park, property located along the west side of Ramsgate Drive at Harvest Road.
· Resolution denying the appeal of Anthony Langford to a decision by the Planning Commission approving the Vesting Tentative Subdivision Map of Papillon Park, property located along the west side of Ramsgate Drive at Harvest Road recommended.
Community & Economic Development; Brad Wall, 577-5282, bwall@modestogov.com

ACTION: Resolution 2004-325 (Jackman/Marsh; unan.) denying the appeal of Anthony Langford to a decision by the Planning Commission approving the Vesting Tentative Subdivision Map of Papillon Park, property located along the west side of Ramsgate Drive at Harvest Road.

26. Hearing to consider the adoption of resolutions (1) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 2) and (2) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 2)
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-326 (Jackman/Hawn; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community

Facilities District No. 2004-1 (Village One #2) (Annexation No. 2)

ACTION: Resolution 2004-327 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

27. Hearing to Consider the Application of Del Valle Capital Corporation for a Third Amendment to the Development Agreement for the Galas Brothers Vesting Tentative Subdivision Map to Allow Assignment of Rights, Entitlements, Duties, and Obligations to Third Party Developers.
· Motion introducing an ordinance approving the Third Amendment to the Development Agreement with Norman Galas, June Galas, Stanley Galas, Bonnie K. Galas, and Del Valle Capital Corporation Inc., relating to allowing the assignment of rights, entitlements, duties, and obligations to third party developers recommended.
Community & Economic Development; George Osner, 577-5273, gosner@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) introduced Ordinance No. 3353-C.S. approving the Third Amendment to the Development Agreement with Norman Galas, June Galas, Stanley Galas, Bonnie K. Galas, and Del Valle Capital Corporation Inc., relating to allowing the assignment of rights, entitlements, duties, and obligations to third party developers

NEW BUSINESS

28. Consider authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $1,055,136.05; authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $8,732,972.72; authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.
· Resolution authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $1,055,136.05;
· Resolution authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $8,732,972.72;
· Resolution authorizing the sale and issuance of special tax bonds to a maximum amount of $25,000,000 on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-328 (Hawn/Keating; unan.) authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $1,055,136.05;

ACTION: Resolution 2004-329 (Hawn/Keating; unan.) authorizing the District Administrator to execute an Acquisition and Shortfall Agreement with Del Valle Homes with a maximum reimbursement amount of $8,732,972.72;

ACTION: Resolution 2004-330 (Hawn/Keating; unan.) authorizing the sale and issuance of special tax bonds to a maximum amount of $25,000,000 on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.

Removed from the agenda.

29. Consider severance benefits for laid off employees.
· Resolution authorizing severance pay, health contributions and interview leave for employees subject to an authorized reduction in force, and providing for salary Y-rating for employees demoting in lieu of layoff.
Personnel; Robin Renwick, 577-5402, rrenwick@modestogo.com

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:52 p.m. to the following Closed Sessions:

CLOSED SESSION

This item heard prior to the Council
CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Associations (MCMA)

The following two items were heard after the Council meeting.
CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Police Officers Associations (MPOA)
No reportable action was taken.

CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Fire Fighters Associations (MCFFA)

No reportable action was taken.

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 1

59% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 73 VOTES

Wendell Naraghi
P.O. Box 7
Escalon, CA 95230
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 1)

I, Wendell Naraghi, certify as follows:

(1) I am the Authorized Representative of Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 077-008-031, 077-008-034 and 077-008-035 (the "Parcels"), which comprise approximately 73.00 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on June 11, 2004 at Escalon, California.

Signature of Authorized Representative (Voter)

Wendell Naraghi
P.O. Box 7
Escalon, CA 95230
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

RECEIVED
MODESTO CITY CLERK

BALLOT NO. 2

04 JUN 18 PM 2:50

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 2

SPECIAL TAX ELECTION

June 22, 2004

41% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST 52
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 2

41% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 52 VOTES

RECEIVED
MODESTO CITY CLERK

04 JUN 18 PM 2:50

AUTHORIZATION
(BALLOT NO. 2)

I, Mike Evans, certify as follows:

(1) I am the Authorized Representative of SCC-Canyon II, LLC, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 2 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 077-009-056, 077-009-057 and 077-009-014 (the "Parcels"), which comprise approximately 51.16 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on June 18th, 2004 at City Hall Modesto, California.

Signature of Authorized Representative (Voter)

Mike Evans
c/o Meritage Homes
1800 Sutter Street, Suite 500
Concord, CA 94520
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-327

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE JUNE 22, 2004, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 2)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein [Annexation No. 2]" adopted on May 11, 2004, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2004-326, adopted on June 22, 2004, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for June 22, 2004, relative to the foregoing; and

WHEREAS, on June 22, 2004, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2004-249 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of June 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(Seal)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM

By: Michael D. Milich, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-326, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 2) adopted on June 22, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on June 22, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-249, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 2)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on May 11, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 135 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: June 25, 2004

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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MINUTES

City of Modesto
City Council Meeting
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, May 4, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Mark Kreiger, Modesto Covenant Church

City Clerk's Announcements

Declaration of Conflicts of Interest

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Chief Jim Miguel regarding Fill The Boot for Muscular Dystrophy scheduled for May 15, 2004.

ACTION: Presentation given by Jason Fritz, Modesto Fire Department and a Muscular Dystrophy representative.

2. Presentation of Proclamation to Stanislaus County Asthma Coalition proclaiming May 4, 2004 Asthma Awareness Day and May 2004 as Asthma Awareness Month. Chairperson Dr. Wallace Carroll to receive the proclamation.

ACTION: Proclamation presented by Mayor Ridenour.

3. Presentation of a Certificate of Recognition to the Modesto High School Leadership Class in honor of receiving the Outstanding Activities Program Award from the California Association of Student Leaders and California Association of Directors of Activities.

ACTION: Presentation made by Mayor Ridenour.

4. Presentation of Proclamation to the Stanislaus County Commission on Aging proclaiming May as "Senior Awareness Month".

ACTION: Proclamation presented by Mayor Ridenour.

5. Presentation by Mike Zagaris regarding the recent formation of a non-profit corporation dedicated to providing art in public places in the greater Modesto area, and the Council is being requested to designate a City Staff member to act as a liaison to this newly formed non-profit corporation.

ACTION: By motion (Keating/Hawn; unan.) Council designated Bob Quintella to act as staff liaison to this newly formed non-profit corporation.

MISCELLANEOUS
Legislation

6. Consider opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.
· Resolution opposing Senate Bill 1866, legislation relating to Police vehicle pursuits recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Reso No 2004-240 (O'Bryant/Marsh; unan.) opposing Senate Bill 1866, legislation relating to Police vehicle pursuits.

ORAL COMMUNICATIONS

· Mary Harris spoke regarding the Modesto Epilepsy Support Group.

· Dean Phillips responded to Councilmember Keating regarding the road work being done on Scenic Drive.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 7 through 11

ACTION Consent Item 7, 8, 9, 10, 11: Jackman/Keating; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
7. Consider approval of the minutes of the regular City Council meeting of April 27, 2004.
· Motion approving minutes recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approving the minutes of April 27, 2004.

CONSENT
8. Consider rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-241 (Jackman/Keating; unan.) rejecting the bid of $218,039 from D.A. Wood Construction Inc., for the project title "Pressure Manholes East of Morton Boulevard and 11th Street", and authorizing staff to re-advertise the project at a future date.

CONSENT
9. Consider accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents; Consider amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements; and Consider adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.
· Resolution accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements recommended.
· Resolution adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document recommended.
Engineering & Transportation; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Reso No 2004-242 (Jackman/Keating; unan) accepting the bid and awarding a $265,672.50 contract to Rodgers Construction & Engineering Co. Inc., for the project titled "Hatch Road Improvements at Dallas Street Intersection", and authorizing the City Manager to execute the necessary documents

ACTION: Reso No 2004-243 (Jackman/Keating; unan) amending the FY 2003-2004 Capital Improvement budget to transfer $77,967 to fund the improvements

ACTION: Reso No 2004-244 (Jackman/Keating; unan) adopting an Initial Study for the Hatch Road Improvements at Dallas Street intersection in the City of Modesto, and adopting a finding that the City Council has reviewed, considered, and made findings regarding the CEQA Environmental Review document.

CONSENT
10. Consider the Monthly Budget Adjustment Report.
· Resolution approving FY-2004 budget adjustments for April 2004 recommended.
Finance; Peggy Hetzler; 577-5369; phetzler@modestogov.com

ACTION: Reso No 2004-245 (Jackman/Keating; unan) approving FY-2004 budget adjustments for April 2004.

CONSENT
11. Consider the Monthly Investment Report - March 2004.
· Motion acknowledging receipt and accepting the Month Investment Report for March 2004 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan) acknowledging receipt and accepting the Month Investment Report for March 2004

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

12. Consider directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee.
· Motion directing staff to pursue a financing strategy wherein the Modesto Irrigation District would finance the Modesto Regional Water Treatment Plant Phase II Expansion and the City of Modesto would finance construction of the related Downstream Improvements, and authorizing the Mayor to forward that recommendation to the joint City/Modesto Irrigation District Domestic Water Policy Committee recommended.
Engineering & Transportation; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.) directing staff to pursue a financing strategy designated as option 2 in the staff report, however staff has the latitude to negotiate for the option 3 strategy provided the City would own the transmission facilities after the debt has been repaid, if that is the best deal (in terms of costs) for the rate payers.

HEARINGS

13. Hearing to consider the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.
· Resolution approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Reso No 2004-246 (Jackman/Marsh; unan.) approving the annexation of territory to Community Facilities District No. 2004-1 (Village One #2), and the levy of special taxes within the territory proposed to be annexed.

Recess 7:22
Reconvene 7:34

14. Hearing to consider an appeal by Eric Reimer and Greg Dias, on behalf of neighbors, of the March 25, 2004 Board of Zoning Adjustment determination that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.
· Resolution denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and upholding the grating of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Reso No 2004-247 (Dunbar/O'Bryant; unan.) denying the appeal of Eric Reimer and Greg Dias, regarding the March 25, 2004 Board of Zoning Adjustment and

upholding the granting of appeal of Youra Tarverdi in determining that a Conditional Use Permit is not required for the continued use of the parking area behind "The Seasons", formerly the Elks Lodge at 945 McHenry Avenue.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 9:12 p.m.

CLOSED SESSION

Closed session heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One case

REC'T # 0000152467U
June 28, 2004 ----- 15:35:50

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office

Document #04-0103021-00

REQD BY
Free Issue

Total fee	$0.00
Amount Tendered...	$0.00
Change	$0.00

MJH,R2/3

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 - 10th Street)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 2)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to the District by the City Council of the City following approval of the levy of the District special taxes (the "Special Taxes") in the Annexed Territory by the qualified voters therein at a special tax election held on June 22, 2004. The rate, method of apportionment and manner of collection of the Special Taxes is set forth in Exhibit A to the Notice of Special Tax Lien. The Special Taxes are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits A, B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation, the Special Taxes are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County

of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 2), and not exempt from the Special Tax, are as follows:

Assessor's Parcel No.	Owner's Name
077-008-031 077-008-034 077-008-035	Hashem Naraghi, Trustee of the Nora Naraghi Separate Trust under agreement dated November 7, 2000
077-009-014 077-009-056 077-009-057	SCC-Canyon II LLC*

*With respect to A.P. No. 077-009-014, the name of the previous owner, as shown on the latest secured assessment roll, is Edwin Lester. With respect to A.P. Nos. 077-009-056 and -057, these parcels did not exist at the time of the latest secured assessment roll; instead, they resulted from a subsequent split from three parcels that are shown on that assessment roll, being A.P. Nos. 077-009-012, -013 and -026. The names of the previous owners of those three parcels, as shown on that assessment roll, are Ronald L. LaForce, et al., Modesto Venture 168, and Chris and Pauline Gianulias, respectively.

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," recorded in Book 3 of Maps of Assessment and Community Facilities Districts, at page 91, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: June 23, 2004

Jean Zahr

Jean Zahr

City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 6/23/04 before me, DEBRA A. GILBERT
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debra A. Gilbert [Seal]

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2005

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-409

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION No. 3)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"); and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District; and

WHEREAS, the territory to be annexed is within the City limits;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County

Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)", on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)", on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90), and the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A**.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than 10 days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are also set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, September 14, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven (7) days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating

(a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 10th day of August, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

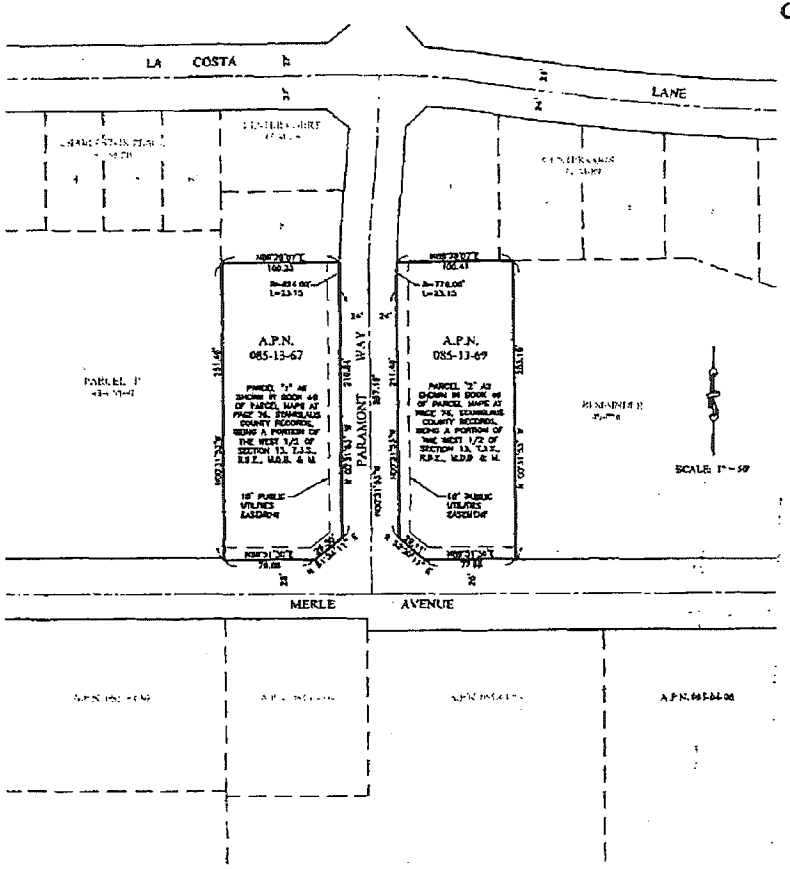
THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 3 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO. 3
OF
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO SHOWING THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 3 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2004, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 23, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2004, AT THE HOUR OF _____ O'CLOCK ____.M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE WANDERER, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

PREPARED BY:
MANUEL
SOUSA
CONSULTING CIVIL ENGINEER

1105 14TH STREET
MODESTO, CA 95354
PHONE: (209)238-3151
FAX: (209)238-3158

SHEET 1 OF 1

City Clerk's Office

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street, Modesto, California

Tuesday, August 10, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Michael Saldivar, La Loma Grace Brethren

City Clerk's Announcements: Item 13 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of a proclamation commending several individuals for their life-saving actions during a "near drowning" at Modesto High School.

ACTION: Presentation given by Jim Niskanen, Parks, Recreation and Neighborhoods Director. Mayor Ridenour presented proclamations to the individuals being recognized.

2. Presentation of a Certificate of Recognition to Jeff Sinclair in honor of his unselfish commitment to his country and community.

ACTION: Presentation made by Jim Niskanen, Parks, Recreation and Neighborhoods Director. Mayor Ridenour presented the certificate to Jeff Sinclair.

MISCELLANEOUS
Appointment

3. Consider appointing David Cogdill Jr. as the Planning Commission representative to the Board of Zoning Adjustment.
· Resolution appointing David Cogdill Jr. to the Board of Zoning Adjustment, with a

term expiration of January 1, 2006 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-407 (Hawn/Jackman; unan.) appointing David Cogdill Jr. as the Planning Commission representative to the Board of Zoning Adjustment.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 18

ACTION Consent Items 4, - 12, 14-18: Jackman/Keating; unan.

ACTION Item 13: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the special City Council meeting of August 4, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the minutes of August 4, 2004.

CONSENT
5. Consider amending the Business License Tax Apportionment Guidelines.
· Resolution amending Business License Tax Apportionment Guidelines pursuant to Section 6-1.436 of the Modesto Municipal Code recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Resolution 2004-408 (Jackman/Keating; unan.) amending Business License Tax Apportionment Guidelines pursuant to Section 6-1.436 of the Modesto Municipal Code

CONSENT
6. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 3.).
· Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 3.) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-409 (Jackman/Keating; unan.) a Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 3.)

CONSENT
7. Consider the Monthly Investment Report.
· Motion acknowledging receipt and accepting the Month Investment Report for June 2004 recommended
Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledged receipt and accepted the Monthly Investment Report for June 2004.

CONSENT
8. Consider authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of curb, gutter and sidewalk repair or replacement, for a three-year agreement with two one-year extension options, at an estimated cost of $170,000.
· Resolution authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of curb, gutter and sidewalk repair or replacement, for a three-year agreement with two one-year extension options, at an estimated cost of $170,000 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2004-410 (Jackman/Keating; unan.) authorizing the Purchasing Supervisor to formally solicit bids for the furnishing of curb, gutter and sidewalk repair or replacement, for a three-year agreement with two one-year extension options, at an estimated cost of $170,000.

CONSENT
9. Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for four lighted crosswalk units for a total estimated cost of $70,000.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids for four lighted crosswalk units for a total estimated cost of $70,000 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-411 (Jackman/Keating; unan.) authorizing the Purchasing Supervisor to formally solicit Request for Bids for four lighted crosswalk units for a total estimated cost of $70,000.

CONSENT
10. Consider an agreement with the Mountain-Valley Emergency Medical Services Agency for the Advanced Life Support (ALS) Engine Pilot Program for six months and relocate the program to Fire Station #7. Cost is approximately $24,000 and is budgeted.
· Resolution approving an agreement with the Valley-Valley Emergency Medical Services Agency for the Advanced Life Support (ALS) Engine Pilot Program for six months and relocate the program to Fire Station #7 recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2004-412 (Jackman/Keating; unan.) approving an agreement with the Valley-Valley Emergency Medical Services Agency for the Advanced Life Support (ALS) Engine Pilot Program for six months and relocate the program to Fire Station #7.

CONSENT
11. Consider an agreement for consultant services with Gartner Consulting for services related to the selection of an upgrade/replacement system for Modesto Police and Fire Departments records management, mobile data systems, and automated field reporting systems, and authorizing the City Manager to execute the necessary documents.
· Resolution approving an agreement for consultant services with Gartner Consulting for services related to the selection of an upgrade/replacement system for Modesto Police and Fire Departments records management, mobile data systems, and automated field reporting systems, and authorizing the City Manager to execute the necessary documents recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Resolution 2004-413 (Jackman/Keating; unan.) approving an agreement

for consultant services with Gartner Consulting for services related to the selection of an upgrade/replacement system for Modesto Police and Fire Departments records management, mobile data systems, and automated field reporting systems, and authorizing the City Manager to execute the necessary documents.

CONSENT
12. Consider a five-year agreement in the amount of $83,500 with Final Cut Media for the continued management of the Public Education and Government (PEG) studio located at 1100 H Street. Services include programming on the AccessModesto channels and broadcasting of municipal meetings.
· Resolution approving a five-year agreement in the amount of $83,500 with Final Cut Media for the continued management of the Public Education and Government (PEG) studio located at 1100 H Street recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Resolution 2004-414 (Jackman/Keating; unan.) approving a five-year agreement in the amount of $83,500 with Final Cut Media for the continued management of the Public Education and Government (PEG) studio located at 1100 H Street.

Removed from Consent
13. Consider a two-year extension of the current Memorandum of Understanding with the Modesto City Fire Fighters Association to December 25, 2006, with related salary and benefit changes.
· Resolution approving a two-year extension of the current Memorandum of Understanding with the Modesto City Fire Fighters Association to December 25, 2006, with related salary and benefit changes recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2004-415 (Jackman/Hawn; unan.) approving a two-year extension of the current Memorandum of Understanding with the Modesto City Fire Fighters Association to December 25, 2006, with related salary and benefit changes.

ACTION: Resolution 2004-415A (Jackman/Hawn; unan.) amending the Fiscal Year 2004-05 Operating Budget to transfer $79,000 from the General Fund Reserve to the Fire Department Health Cafeteria Plan Account to provide funding for the health benefits changes.

CONSENT
14. Consider termination of a contract for operation of the multipurpose facility at Somerset Middle School.
· Resolution approving an agreement to terminate contract for operation of multipurpose facility at Somerset Middle School and authorizing the City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-416 (Jackman/Keating; unan.) approving an agreement to terminate contract for operation of multipurpose facility at Somerset Middle School and authorizing the City Manager to execute the necessary documents.

CONSENT
15. Consider appropriating $28,600 for the Neighborhood Capital Improvement Project (NCIP) proposals for Summer of 2004.
· Resolution approving appropriating $28,600 for the Neighborhood Capital Improvement Project (NCIP) proposals for Summer of 2004 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-417 (Jackman/Keating; unan) approving appropriating $28,600 for the Neighborhood Capital Improvement Project (NCIP) proposals for Summer of 2004

CONSENT
16. Consider approval of the final map of Oakcrest subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the necessary documents.
· Resolution approving final map of Oakcrest subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the necessary documents as required by Section 404.604(c) of the Municipal Code recommended.
Public Works; David Leamon, 577-5253, dleamon@modestogov.com

ACTION: Resolution 2004-418 (Jackman/Keating; unan) approving final map of Oakcrest subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the necessary documents as required by Section 404.604(c) of the Municipal Code

CONSENT
17. Consider awarding the bid and approving an $826,227.20 contract with George Reed Inc. for the project titled "Sisk Road Construction and Drainage Improvements" and authorizing the City Manager to execute the contract; and Consider amending the FY 02-03 Capital Improvement Project budget to fully fund the project. Total estimated cost of the project is $1,000,000.
· Resolution awarding the bid and approving a $826,227.20 contract with George Reed Inc. for the project titled "Sisk Road Construction and Drainage Improvements" and authorizing the City Manager to execute the contract recommended.
· Resolution amending the FY 02-03 Capital Improvement Project budget to fully fund the project recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-419 (Jackman/Keating; unan) awarding the bid and approving a $826,227.20 contract with George Reed Inc. for the project titled "Sisk Road Construction and Drainage Improvements" and authorizing the City Manager to execute the contract

ACTION: Resolution 2004-420 (Jackman/Keating; unan) amending the FY 02-03 Capital Improvement Project budget to fully fund the project

CONSENT
18. Consider awarding the bid and approving a $629,204.73 contract with Graham Contractors Inc. for the project titled "2004 Slurry and Cape Seals" and authorizing the City Manager to execute the necessary documents; and Consider amending the FY 03-04 Capital Improvement Project budget to fully fund the project. Total estimated cost of this project is $760,000.
· Resolution awarding the bid and approving a $629,204.73 contract with Graham Contractors Inc. for the project titled "2004 Slurry and Cape Seals" and authorizing the City Manager to execute the necessary documents recommended.
· Resolution amending the FY 03-04 Capital Improvement Project budget to fully fund the project recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-421 (Jackman/Keating; unan) awarding the bid and approving a $629,204.73 contract with Graham Contractors Inc. for the project titled "2004 Slurry and Cape Seals" and authorizing the City Manager to execute the necessary documents.

ACTION: Resolution 2004-422 (Jackman/Keating; unan) amending the FY 03-04 Capital Improvement Project budget to fully fund the project.

COUNCIL COMMENTS & REPORTS

19. At the request of Councilmember O'Bryant, consider authorizing the City Attorney to assist the Chair of the Public Safety Committee in reviewing allegations of possible elder abuse at mobile home parks in Modesto.

ACTION: By motion Jackman/Keating; unan. authorized the City Attorney to assist the Chair of the Safety and Communities Committee to review the above item.

WRITTEN COMMUNICATIONS

20. Consider letter from Paul Jennings regarding rent increases at Coralwood Mobile Home Park.

ACTION: No action taken.

HEARINGS

21. Hearing to consider amending the City Fiscal Year 2003/04 Federal Transit Administration (FTA) grant to include an additional $879,394 in federal transit funds to partially offset the capital costs of the City's public transit program.
· Resolution approving amending the City Fiscal Year 2003/04 Federal Transit Administration (FTA) grant to include an additional $879,394 in federal transit funds to partially offset the capital costs of the City's public transit program recommended.
Public Works; Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: Resolution 2004-423 (Jackman/Keating; unan.) approving amending the City Fiscal Year 2003/04 Federal Transit Administration (FTA) grant to include an additional $879,394 in federal transit funds to partially offset the capital costs of the City's public transit program.

22. Hearing to consider the application of Kaiser Foundation Hospitals for the following entitlements to allow a 1,425,000-square-foot medical center to be located on 49 acres on the west side of Dale Road north of Bangs Avenue: a rezoning from Specific Plan Overlay Prezone to Planned Development Prezone, P-P-D(567); Amendments to the Kiernan Business Park Specific Plan; and a Development Agreement. Also to be considered is a Sphere of Influence amendment and annexation of the Kaiser Medical Center and the adjacent 39-acre Cornerstone Business Park, approval of a municipal service review for the Sphere of Influence amendment, and certification of a Final EIR for the project.
· Resolution adopting certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, adopting a statement of overriding considerations, and certifying the Final Environmental Impact Report for the Kaiser Modesto Medical Center/Cornerstone Business Park project (State Clearinghouse # 2003072085) recommended.
· Resolution approving Specific Plan Amendment No. 3 to the Kiernan Business Park Specific Plan to modify the land use and circulation diagrams and development standards for the Kaiser Medical Center site, to revise the planned street system in the future business park, and to incorporate design standards into the specific plan (Kaiser Foundation Hospitals) recommended.
· Introduction of an ordinance amending Section 2-3-8 of the Zoning Map to rezone from Prezone Specific Plan Overlay Zone, P-SP-O, to Prezone Planned Development zone, P-P-D(567), and from Specific Plan Overlay zone, SP-O, to Planned Development zone, P-D(567), property located on the west side of Dale Road north of Bangs Avenue (Kaiser Foundation Hospitals) recommended.
· Resolution approving a development plan for Planned Development Prezone, P-P-D(567) (Kaiser Foundation Hospitals) recommended.
· Introduction of an ordinance approving the development agreement with Kaiser

Foundation Hospitals for the development of Kaiser Modesto Medical Center/Cornerstone Business Park located in the Kiernan Business Park Specific Plan recommended

· Resolution approving the filing of a sphere of influence plan, master services element, and municipal service review to the Stanislaus Local Agency Formation Commission in conjunction with the application to amend Modesto's Sphere of Influence and annex approximately 88 acres of property located on the west side of Dale Road south of Kiernan Avenue to the City of Modesto recommended.

· Resolution of application to the Stanislaus Local Agency Formation Commission to amend Modesto's Sphere of Influence and annex approximately 88 acres of property located on the west side of Dale Road south of Kiernan Avenue to the City of Modesto and the Modesto Sewer District No. 1 and to detach said property from the Salida Fire Protection District (Owner Initiated - uninhabited) recommended.

Community & Economic Development; Steve Mitchell, 577-5287, smitchell@modestogov.com

ACTION: Resolution 2004-423A (Jackman/Dunbar; unan.) adopting certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, adopting a statement of overriding considerations, and certifying the Final Environmental Impact Report for the Kaiser Modesto Medical Center/Cornerstone Business Park project (State Clearinghouse # 2003072085)

ACTION: Resolution 2004-424 (Jackman/Dunbar; unan.) approving Specific Plan Amendment No. 3 to the Kiernan Business Park Specific Plan to modify the land use and circulation diagrams and development standards for the Kaiser Medical Center site, to revise the planned street system in the future business park, and to incorporate design standards into the specific plan (Kaiser Foundation Hospitals)

ACTION: By Motion (Jackman/Dunbar; unan) **introduced Ordinance No. 3356-C.S.** amending Section 2-3-8 of the Zoning Map to rezone from Prezone Specific Plan Overlay Zone, P-SP-O, to Prezone Planned Development zone, P-P-D(567), and from Specific Plan Overlay zone, SP-O, to Planned Development zone, P-D(567), property located on the west side of Dale Road north of Bangs Avenue (Kaiser Foundation Hospitals)

ACTION: Resolution 2004-425 (Jackman/Dunbar; unan.) approving a development plan for Planned Development Prezone, P-P-D(567) (Kaiser Foundation Hospitals)

ACTION: By Motion (Jackman/Dunbar; unan.) **introduced Ordinance No. 3357-C.S.** approving the development agreement with Kaiser Foundation Hospitals for the development of Kaiser Modesto Medical Center/Cornerstone Business Park located in the Kiernan Business Park Specific Plan

ACTION: Resolution 2004-426 (Jackman/Dunbar; unan) approving the filing of a sphere of influence plan, master services element, and municipal service review to the Stanislaus Local Agency Formation Commission in conjunction with the application to amend Modesto's Sphere of Influence and annex approximately 88 acres of property located on the west side of Dale Road south of Kiernan Avenue to the City of Modesto

ACTION: Resolution 2004-427 (Jackman/Dunbar; unan)a Resolution of application to the Stanislaus Local Agency Formation Commission to amend Modesto's Sphere of Influence and annex approximately 88 acres of property located on the west side of Dale Road south of Kiernan Avenue to the City of Modesto and the Modesto Sewer District No. 1 and to detach said property from the Salida Fire Protection District (Owner Initiated - uninhabited)

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 10:15 p.m.

CLOSED SESSION

Closed session heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

145.6
CC file
& CFD

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO,** County Of **STANISLAUS,** State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

SEPTEMBER 4, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

SEPTEMBER 4, 2004

Esteban Jimenez
(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.2004I (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED ANNEXATION NO.3

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on August 10, 2004, adopt its Resolution No.2004409 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004I (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of two parcels identified by reference to Stanislaus County Assessor Parcels, as follows: A.P. Nos. 085-013-067 and 085-013-069, respectively.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2004-409. The time and place for the hearing is Tuesday, September 14, 2004, at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2004409. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)577-5211.

Dated: August 12, 2004
Jean Zahr
City Clerk
SEPTEMBER 4, 2004

CERTIFICATE OF COUNTY ASSESSOR
OF THE COUNTY OF STANISLAUS

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

1. I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, as Annexation No. 3.

2. The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll or otherwise known to me to be the owners of such parcels are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

August 13, 2004
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto

Annexation No. 3

Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
085-013-067 085-013-069	Ben and Jethalya Penfield and David Reich	For Penfields: 1340 Cormorant Drive Merced, CA 95358 For Reich: 1952 Arbor Way Turlock, CA 95380

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the attached Annexation Map No. 3, describing the boundaries of property proposed to be annexed (the "Annexed Territory") to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On August 20, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are NO persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan

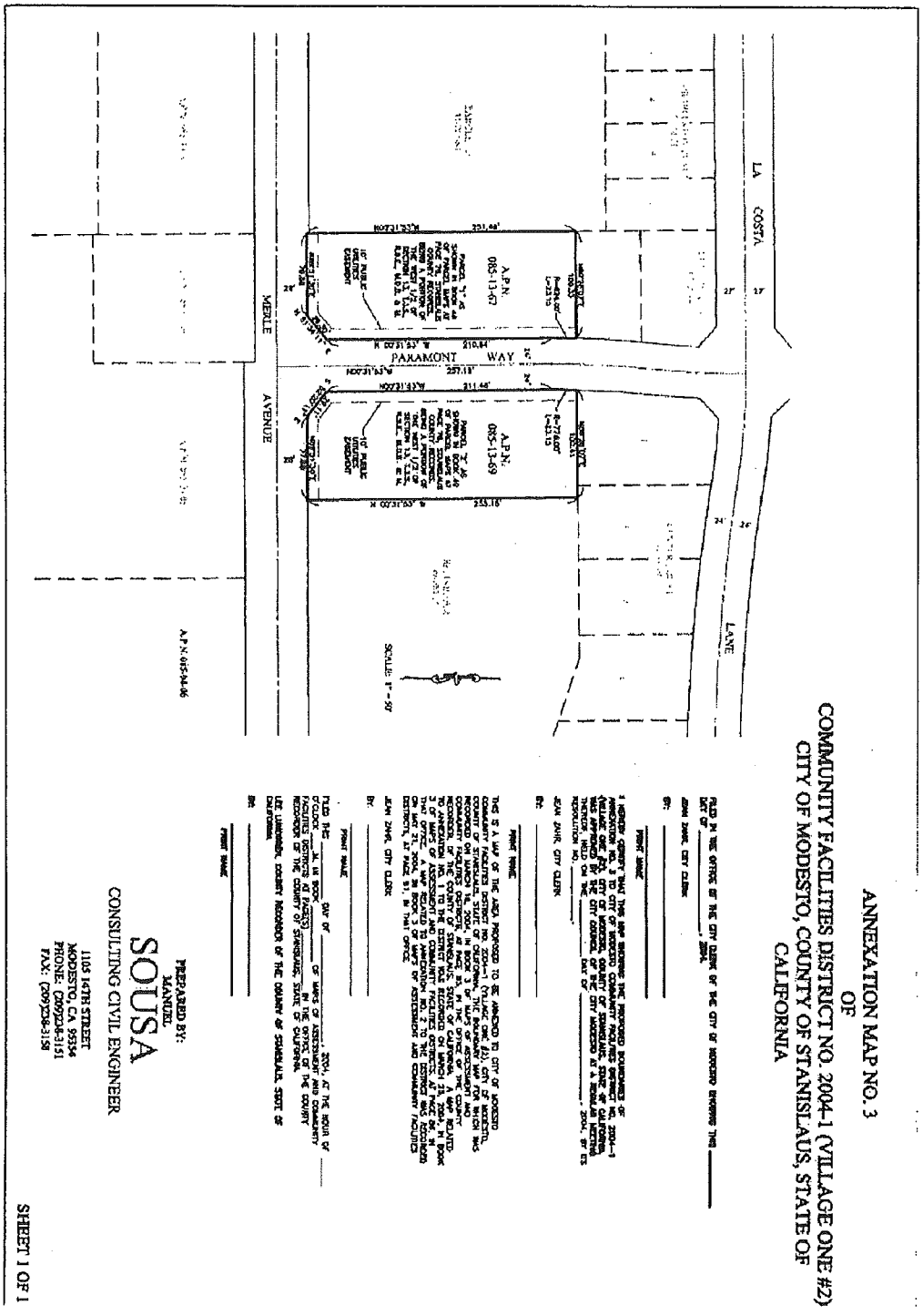
Lee Lundrigan

August 23, 2004
Date of Execution

Modesto, California
Place of Execution

EXHIBIT A

ANNEXATION NO. 3 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



A.P. Nos. 085-013-067
and 085-013-069

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 3

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Numbers 085-013-067 and 085-013-069 (the "Property") being land proposed to be annexed, as part of Annexation No. 3, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-409 (the "Resolution of Intention to Annex"), adopted on August 10, 2004. The land proposed to be annexed to the District as Annexation No. 3 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certifiy there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: BEN & JETHALYN PENFIELD PROPERTIES, A CALIFORNIA LIMITED PARTNERSHIP, AN UNDIVIDED 1/2 INTEREST AND DAVID REICH, AN UNMARRIED MAN, AN UNDIVIDED 1/2 INTEREST.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated 06-18-2004, and recorded on 07-08-2004, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: SEE ATTACHED; the name and address of the Trustee thereunder is: HARMON FINANCIAL CORPORATION 1324 G STREET P.O. BOX 3966 MODESTO, CA 95352.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate GREGORY KOHLER as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 5253 JERUSALEM COURT, SUITE A MODESTO, CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 09-02, 2004

LANDOWNERS: Ben and Jethalyn Penfield/
David Reich

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

Ben and Jethalyn Penfield

By: _____

By: _____
Name: David Reich

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2004-409 (the "Resolution") to annex certain territory (Annexation No. 3) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 8-31-04, 2004

HARMON FINANCIAL CORPORATION, a California Corporation ("Lender")

By: _____
Name: Clay W. Harmon
Title: President

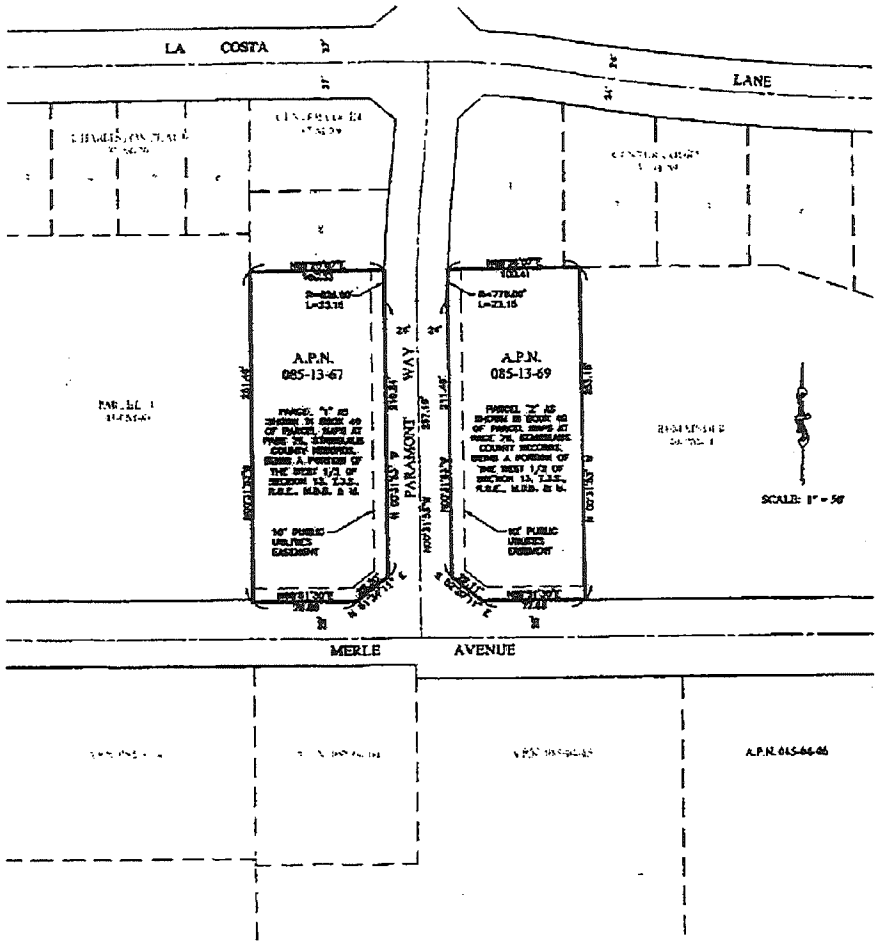
By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

EXHIBIT A

ANNEXATION MAP NO. 3
OF
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2004.

JEAN ZAHL, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 3 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2004, BY ITS RESOLUTION NO. _____.

JEAN ZAHL, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 18, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 65, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 26, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 66, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 81, IN THAT OFFICE.

JEAN ZAHL, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2004, AT THE HOUR OF _____ O'CLOCK ____.M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDMARK, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

PREPARED BY:
MANUEL
SOUSA
CONSULTING CIVIL ENGINEER

1105 MTH STREET
MODESTO, CA 95354
PHONE: (209)238-3151
FAX: (209)238-3158

SHEET 1 OF 1

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. _____, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 3)," adopted by the City Council of the City of Modesto on September 14, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On 9/8 _____, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 3. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: September 8, 2004

Place of Execution:

Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

Name and address of Authorized Representative to which a ballot was personally delivered or mailed.

Owners – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Ben and Jethalyn Penfield Properties, a California General Partnership 1340 Cormorant Drive Merced, CA 95358 and David Reich 1952 Arbor Way Turlock, CA 95380	Gregory Kohler 5253 Jerusalem Court, Suite A Modesto, CA 95356	1	2

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

September 8, 2004

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 3 to the City's Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto **not later than noon, September 14, 2004.** A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 3

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

September 14, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 3, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on September 14, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

SPECIAL TAX ELECTION

September 14, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-409, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 3)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on August 10, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

SPECIAL TAX ELECTION

September 14, 2004

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

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MEASURE SUBMITTED TO VOTE OF VOTERS

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YES ☐

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, _____, certify as follows:

(1) I am the Authorized Representative of Ben & Jethalyn Penfield Properties, a California General Partnership, and David Reich, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 3 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 085-013-067 and 085-013-069 (the "Parcels"), which comprise approximately 1.15 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

Gregory Kohler
5253 Jerusalem Court, Suite A
Modesto, CA 95356
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-466

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 3)

WHEREAS, this Council did, on August 10, 2004, adopt its Resolution No. 2004-409 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on August 11, 2004, in the Office of the County Recorder of the County of Stanislaus, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 96; and

WHEREAS, at the time and date set for the hearing (September 14, 2004) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special

taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be

applicable to such election. The ballot measure shall be substantially in the form attached hereto as **Exhibit A**.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received appropriate waivers of time limits and other requirements pertaining to the conduct of the election by each of the owners of land in the Annexed Territory (collectively, the "Landowners"), the election shall be held on the 14th day of September 2004. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowners.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the landowners.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of September, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

EXHIBIT A

SAMPLE

OFFICIAL BALLOT

BALLOT NO. ___

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

SPECIAL TAX ELECTION

September 14, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST ___
(VOTER MAY REMOVE AND RETAIN THIS STUB)

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YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF __ VOTES

09-14-04/CMO/trocha

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Pastor Cliff Sexton, First Baptist Church

City Clerk's Announcements

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Culture Commission to Colleen Stanley Bare, author, local historian, photographer and Modesto native, for her work with the Poets' Corner Committee.

ACTION: Introduction of Grace Lieberman made by Wayne Mathes. Ms Lieberman made the presentation to Colleen Stanley Bare.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 9

ACTION Consent Items 2- 9: Jackman/Hawn; unan.

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of September 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the minutes of September 7, 2004.

CONSENT
3. Consider a Community Facilities District real property acquisition agreement along Floyd Avenue between Oakdale Road and Roselle Avenue.
· Resolution approving an agreement for $981,750 with Hashem Naraghi for right-of-way acquisition of property for construction of Floyd Avenue, and authorizing the District Administrator to execute the necessary documents recommended.
· Resolution authorizing the District Administrator to execute acceptance forms for the property acquisition recommended.
· Resolution finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended recommended.
City Manager; Vickey Dion, 577-5211, vdion@modestogov.com

Resolution Number 2004-455 was not assigned.

ACTION: Resolution 2004-456 (Jackman/Hawn; unan.) approving an agreement for $981,750.00 between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Hashem Naraghi, Trustee of the Nora Naraghi separate property trust for Right of Way Acquisition of property for construction of Floyd Ave and authorizing the District Administrator to execute the agreement and all related property documents, and authorize the City Engineer to accept the dedications of Right-of-Way as Grantee on behalf of the City of Modesto

ACTION: Resolution 2004-457 (Jackman/Hawn; unan) finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended by the Supplemental EIR Acquisition of Right-of-Way for the Widening of Floyd Ave.

CONSENT
4. Consider annexation of additional territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4).
· Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-458 (Jackman/Hawn; unan) a Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4)

CONSENT
5. Consider the Monthly Investment Report.
· Resolution approving the Monthly Investment Report recommended.
Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: Motion (Jackman/Hawn; unan) approving the Monthly Investment Report

Resolution Number 2004-459 was not assigned.

CONSENT
6. Consider amending the budget to transfer necessary funds in the amount of $260,000 for the purchase of a windrow turner for use by the Public Works Department; and Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000.
· Resolution amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department recommended.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-460 (Jackman/Hawn; unan) amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department

ACTION: Resolution 2004-461 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000

CONSENT
7. Consider a position allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115, to the Transit Division. This position will be partially funded by combining two part-time positions into one full-time position. Additional funding will be provided from the Transit Fund.
· Resolution approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division recommended.
· Resolution amending the budget.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2004-462 (Jackman/Hawn; unan) approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division

ACTION: Resolution 2004-463 (Jackman/Hawn; unan) amending the budget.

CONSENT
8. Consider the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.
· Resolution approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515 recommended.
Public Works; Beverly McCullough, 577-5495, bdmccullough@modestogov.com

ACTION: Resolution 2004-464 (Jackman/Hawn; unan) approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.

CONSENT
9. Consider accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Annex Developers, L.P., a California Limited Partnership, by Modesto Annex Investors, LLC, a California Limited Liability Company.
· Resolution accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

recommended.
Public Works; David Leamon, 577-5253, dleamon@modestogov.com

ACTION: Resolution 2004-465 (Jackman/Hawn; unan) accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

COUNCIL COMMENTS & REPORTS

10. At the request of Councilmember Jackman, consider adopting the farmland mitigation policy from the Kaiser Hospital project as City land use policy and initiate needed amendments.

ACTION: Referred to the Council's October workshop.

· Councilmember Jackman reported on activities at STANCOG that are underway to hire a professional to conduct a search for a new director, and current projects with associated funding.

HEARINGS

11. Hearing to consider calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #3); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-466 (Jackman/Keating; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3)

ACTION: Resolution 2004-467 (Jackman/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

12. Hearing to consider the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorize staff to forward the report to HUD for their review and approval.
· Resolution approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-468 (Dunbar/Keating; unan.) approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval.

13. Hearing to consider the Mitigated Negative Declaration for Mary E. Grogan

Community Park; and Consider the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park.
· Resolution approving the Mitigated Negative Declaration for Mary E. Grogan Community Park recommended.
· Resolution approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park recommended.
Parks, Recreation & Neighborhoods; Nathan Houx, 571-5526, nhoux@modestogov.com

ACTION: Resolution 2004-469 (Jackman/Dunbar; unan.) approving the Mitigated Negative Declaration for Mary E. Grogan Community Park

ACTION: Resolution 2004-470 (Jackman/Dunbar; unan.) approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park

NEW BUSINESS

14. Consider the Water Utility Cost of Service Rate Study prepared by Foresight Consulting and the West Yost Justification and Cost Allocation for Proposed Water System Improvements Study and consider initiating a 218 Protest process to do the following based upon report recommendations:
Ø Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05, (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5%, and 5% across-the-board rate adjustments in subsequent year (05-06 through 08-09) to support the Financial Plan, and
Ø Adopt automatic Rate Adjustments beginning July 1, 209, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners, and
Ø Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
Ø Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.
Public Works; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Resolution 2004-471 (Hawn/Dunbar; majority; O'Bryant no) initiating a Proposition 218 Protest process to:
a. Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05 (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5% and 5% across-the-board rate adjustments in subsequent years (05-06 through 08-09) to support the Financial Plan, and
b. Adopt Automatic Rate Adjustments beginning July 1, 2009, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners. Council will review water rates every three years to determine if further adjustments are warranted and the additional utility user's tax will be used to assist low income seniors, and
c. Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
d. Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 9:15 p.m. to a special closed session

CLOSED SESSION

This item not heard.
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association

This item heard prior to the Council meeting
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Seven cases

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases

Facts and Circumstances: One current and one former City employee have alleged that the City unlawfully discriminated and/or retaliated against them.

RECEIVED
MODESTO CITY CLERK
04 SEP 13 AM 7:51

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 3

SPECIAL TAX ELECTION

September 14, 2004

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-409, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 3)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on August 10, 2004, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

RECEIVED
MODESTO CITY CLERK
04 SEP 10 PM 2:18

I, GREGORY KOHLER, certify as follows:

(1) I am the Authorized Representative of Ben & Jethalyn Penfield Properties, a California General Partnership, and David Reich, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 3 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

X (2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers 085-013-067 and 085-013-069 (the "Parcels"), which comprise approximately 1.15 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on SEPT. 9, 2004 at 5253 JERUSALEM CT ST. A MODESTO, CALIFORNIA 95356.

Signature of Authorized Representative (Voter)

Gregory Kohler
5253 Jerusalem Court, Suite A
Modesto, CA 95356
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-467

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE SEPTEMBER 14, 2004, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 3)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2004-409, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 3)" adopted on August 10, 2004, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2004-466, adopted on September 14, 2004, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for September 14, 2004, relative to the foregoing; and

WHEREAS, on September 14, 2004, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2004-409 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of

Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of September, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-466, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 3) adopted on September 14, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on September 14, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-409, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 3)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on August 10, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 2 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: Sept 17, 2004

09-14-04/CMO/trocha

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Pastor Cliff Sexton, First Baptist Church

City Clerk's Announcements

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Culture Commission to Colleen Stanley Bare, author, local historian, photographer and Modesto native, for her work with the Poets' Corner Committee.

ACTION: Introduction of Grace Lieberman made by Wayne Mathes. Ms Lieberman made the presentation to Colleen Stanley Bare.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 9

ACTION Consent Items 2- 9: Jackman/Hawn; unan.

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of September 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the minutes of September 7, 2004.

CONSENT
3. Consider a Community Facilities District real property acquisition agreement along Floyd Avenue between Oakdale Road and Roselle Avenue.
· Resolution approving an agreement for $981,750 with Hashem Naraghi for right-of-way acquisition of property for construction of Floyd Avenue, and authorizing the District Administrator to execute the necessary documents recommended.
· Resolution authorizing the District Administrator to execute acceptance forms for the property acquisition recommended.
· Resolution finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended recommended.
City Manager; Vickey Dion, 577-5211, vdion@modestogov.com

Resolution Number 2004-455 was not assigned.

ACTION: Resolution 2004-456 (Jackman/Hawn; unan.) approving an agreement for $981,750.00 between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Hashem Naraghi, Trustee of the Nora Naraghi separate property trust for Right of Way Acquisition of property for construction of Floyd Ave and authorizing the District Administrator to execute the agreement and all related property documents, and authorize the City Engineer to accept the dedications of Right-of-Way as Grantee on behalf of the City of Modesto

ACTION: Resolution 2004-457 (Jackman/Hawn; unan) finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended by the Supplemental EIR Acquisition of Right-of-Way for the Widening of Floyd Ave.

CONSENT
4. Consider annexation of additional territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4).
· Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-458 (Jackman/Hawn; unan) a Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4)

CONSENT
5. Consider the Monthly Investment Report.
· Resolution approving the Monthly Investment Report recommended.
Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: Motion (Jackman/Hawn; unan) approving the Monthly Investment Report

Resolution Number 2004-459 was not assigned.

CONSENT
6. Consider amending the budget to transfer necessary funds in the amount of $260,000 for the purchase of a windrow turner for use by the Public Works Department; and Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000.
· Resolution amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department recommended.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-460 (Jackman/Hawn; unan) amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department

ACTION: Resolution 2004-461 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000

CONSENT
7. Consider a position allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115, to the Transit Division. This position will be partially funded by combining two part-time positions into one full-time position. Additional funding will be provided from the Transit Fund.
· Resolution approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division recommended.
· Resolution amending the budget.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2004-462 (Jackman/Hawn; unan) approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division

ACTION: Resolution 2004-463 (Jackman/Hawn; unan) amending the budget.

CONSENT
8. Consider the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.
· Resolution approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515 recommended.
Public Works; Beverly McCullough, 577-5495, bdmccullough@modestogov.com

ACTION: Resolution 2004-464 (Jackman/Hawn; unan) approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.

CONSENT
9. Consider accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Annex Developers, L.P., a California Limited Partnership, by Modesto Annex Investors, LLC, a California Limited Liability Company.
· Resolution accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

recommended.
Public Works; David Leamon, 577-5253, dleamon@modestogov.com

ACTION: Resolution 2004-465 (Jackman/Hawn; unan) accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

COUNCIL COMMENTS & REPORTS

10. At the request of Councilmember Jackman, consider adopting the farmland mitigation policy from the Kaiser Hospital project as City land use policy and initiate needed amendments.

ACTION: Referred to the Council's October workshop.

· Councilmember Jackman reported on activities at STANCOG that are underway to hire a professional to conduct a search for a new director, and current projects with associated funding.

HEARINGS

11. Hearing to consider calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #3); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-466 (Jackman/Keating; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3)

ACTION: Resolution 2004-467 (Jackman/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

12. Hearing to consider the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorize staff to forward the report to HUD for their review and approval.
· Resolution approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-468 (Dunbar/Keating; unan.) approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval.

13. Hearing to consider the Mitigated Negative Declaration for Mary E. Grogan

Community Park; and Consider the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park.
· Resolution approving the Mitigated Negative Declaration for Mary E. Grogan Community Park recommended.
· Resolution approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park recommended.
Parks, Recreation & Neighborhoods; Nathan Houx, 571-5526, nhoux@modestogov.com

ACTION: Resolution 2004-469 (Jackman/Dunbar; unan.) approving the Mitigated Negative Declaration for Mary E. Grogan Community Park

ACTION: Resolution 2004-470 (Jackman/Dunbar; unan.) approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park

NEW BUSINESS

14. Consider the Water Utility Cost of Service Rate Study prepared by Foresight Consulting and the West Yost Justification and Cost Allocation for Proposed Water System Improvements Study and consider initiating a 218 Protest process to do the following based upon report recommendations:
Ø Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05, (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5%, and 5% across-the-board rate adjustments in subsequent year (05-06 through 08-09) to support the Financial Plan, and
Ø Adopt automatic Rate Adjustments beginning July 1, 209, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners, and
Ø Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
Ø Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.
Public Works; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Resolution 2004-471 (Hawn/Dunbar; majority; O'Bryant no) initiating a Proposition 218 Protest process to:
a. Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05 (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5% and 5% across-the-board rate adjustments in subsequent years (05-06 through 08-09) to support the Financial Plan, and
b. Adopt Automatic Rate Adjustments beginning July 1, 2009, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners. Council will review water rates every three years to determine if further adjustments are warranted and the additional utility user's tax will be used to assist low income seniors, and
c. Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
d. Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 9:15 p.m. to a special closed session

CLOSED SESSION

This item not heard.
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association

This item heard prior to the Council meeting
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Seven cases

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases

Facts and Circumstances: One current and one former City employee have alleged that the City unlawfully discriminated and/or retaliated against them.

Filing Requested By
And Return To:

City of Modesto
City Clerk Office
PO Box 642
Modesto CA 95354

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2004-0156454-00
Monday, SEP 27, 2004 13:46:20
Ttl Pd $0.00 Nbr-0001594879
BJE/R2/1-4

Notice of Special Tax Lien

FOR: **CFD No. 2004-1 (Village One #2)**

DATE OF RECORDING: **September 27, 2004**

DESCRIPTION: **Amendment to Notice of Special Tax Lien (Notice of Annexation No. 3)**

RECORDATION NUMBER:

E4

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 - 10th Street
P.O. Box 642)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 3)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to the District by the City Council of the City following approval of the levy of the District special taxes (the "Special Taxes") in the Annexed Territory by the qualified voters therein at a special tax election held on September 14, 2004. The rate, method of apportionment and manner of collection of the Special Taxes is set forth in Exhibit A to the Notice of Special Tax Lien. The Special Taxes are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits A, B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 3), the Special Taxes are authorized to be levied in the Annexed Territory, and that, upon the recordation of this

Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 3), and not exempt from the Special Tax, are as follows:

Assessor's Parcel No.	Owner's Name
085-013-067	Ben and Jethalyn Penfield Properties, a California General Partnership 1340 Cormorant Drive Merced, CA 95358 and David Reich 1952 Arbor Way Turlock, CA 95380
085-013-069	Ben and Jethalyn Penfield Properties, a California General Partnership 1340 Cormorant Drive Merced, CA 95358 and David Reich 1952 Arbor Way Turlock, CA 95380

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 96, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353

Dated: September 23, 2004

Jean Zahr
Jean Zahr
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 9-23-04 before me, Debra A. Gilbert
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☑ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debra A. Gilbert [Seal]

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2006

SF1 1398366v2 47922/29

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-458

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION No. 4)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"); and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District; and

WHEREAS, the territory to be annexed is within the City limits;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County

Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)", on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)", on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; and the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96."

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than 10 days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of

Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are also set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, October 26, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven (7) days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of September 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: _____
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

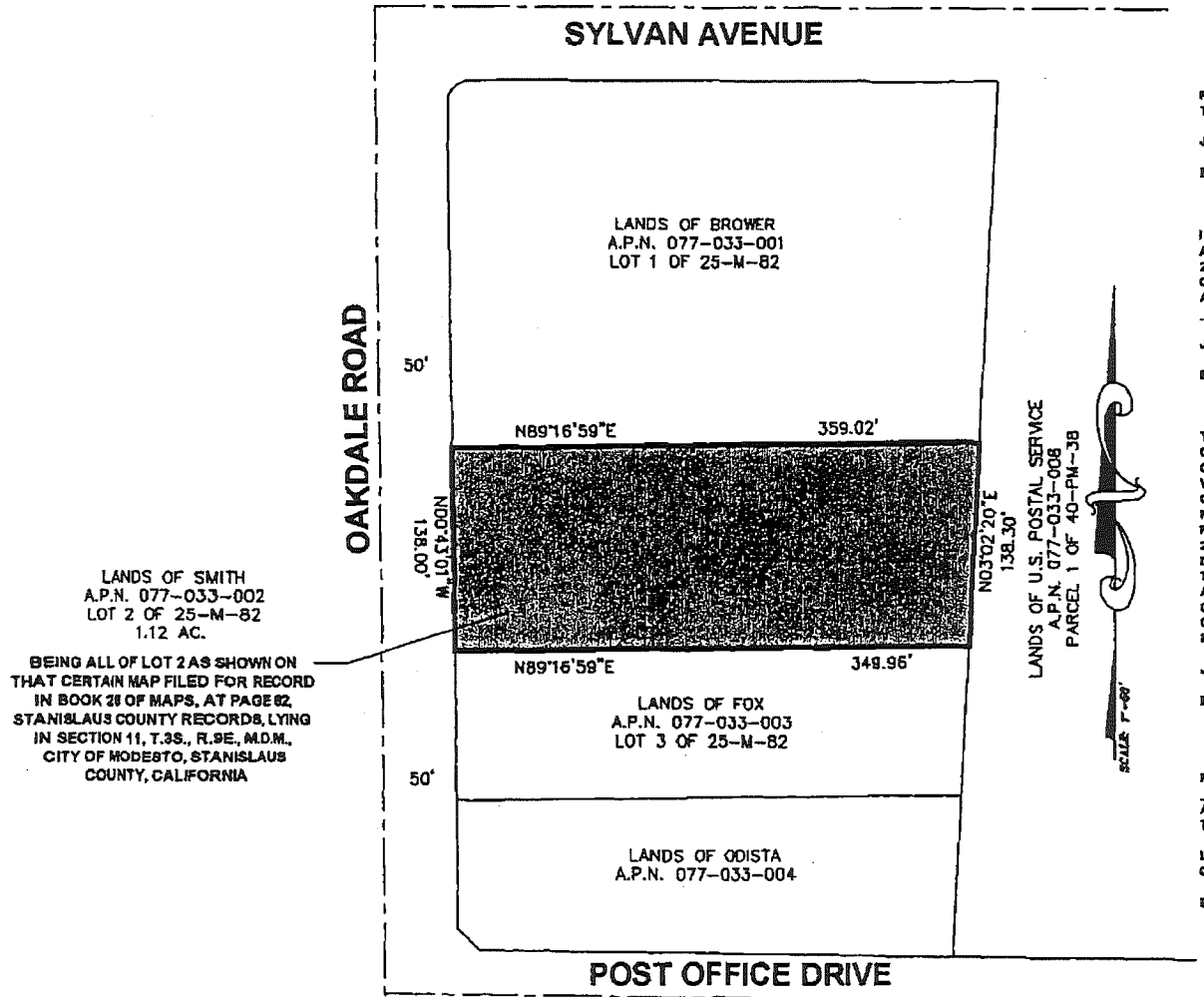
THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 3/8/06

_____
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 4 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2004.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 3 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2004, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____, 2004, AT THE HOUR OF _____ O'CLOCK ___. M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

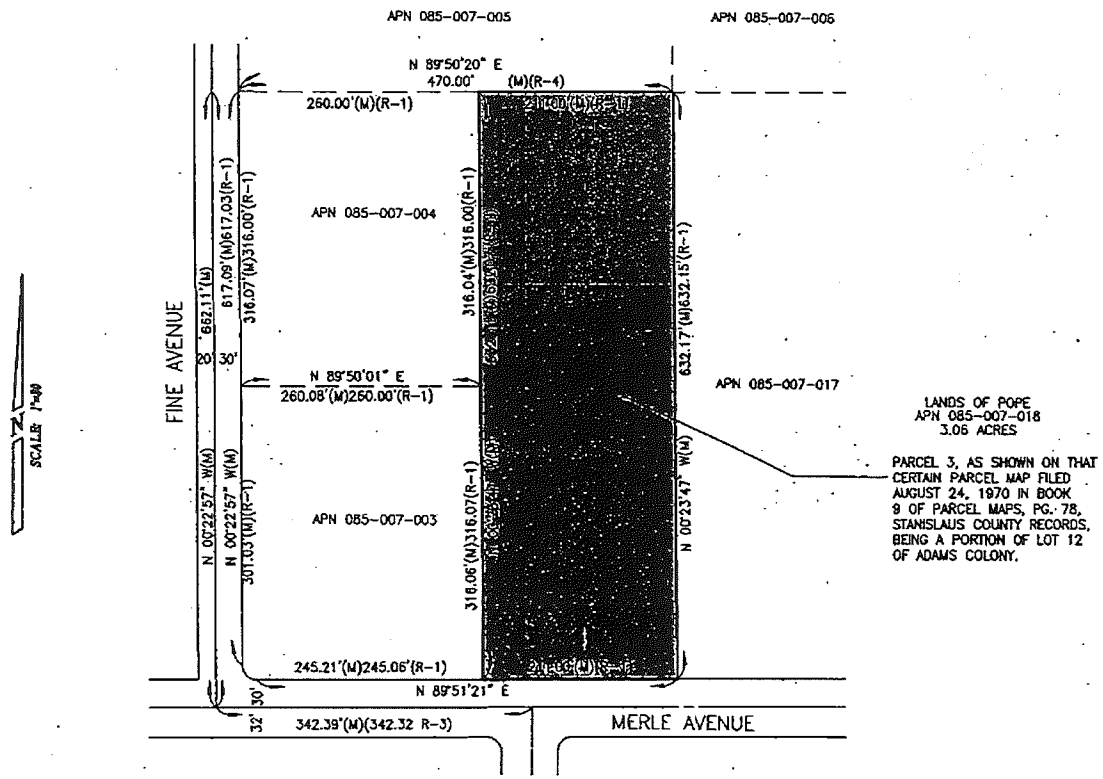
LEE LUNDGREN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

PRINT NAME

Giuliani & Kull, Inc.
Engineers • Planners • Surveyors
440 S. Yosemite Avenue, Suite A, Oakdale, CA 95361
(209) 847-8726 Fax (209) 847-7323
Auburn • Oakdale • San Jose

ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



LEGEND: AREA TO BE ANNEXED

O'DELL ENGINEERING

REGISTERED PROFESSIONAL ENGINEER
RANDALL A. O'DELL
No. 29547
Exp. 6/31/00
CIVIL
STATE OF CALIFORNIA

SHEET 2 OF 2

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Pastor Cliff Sexton, First Baptist Church

City Clerk's Announcements

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation by Culture Commission to Colleen Stanley Bare, author, local historian, photographer and Modesto native, for her work with the Poets' Corner Committee.

ACTION: Introduction of Grace Lieberman made by Wayne Mathes. Ms Lieberman made the presentation to Colleen Stanley Bare.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 9

ACTION Consent Items 2- 9: Jackman/Hawn; unan.

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of September 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the minutes of September 7, 2004.

CONSENT
3. Consider a Community Facilities District real property acquisition agreement along Floyd Avenue between Oakdale Road and Roselle Avenue.
· Resolution approving an agreement for $981,750 with Hashem Naraghi for right-of-way acquisition of property for construction of Floyd Avenue, and authorizing the District Administrator to execute the necessary documents recommended.
· Resolution authorizing the District Administrator to execute acceptance forms for the property acquisition recommended.
· Resolution finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended recommended.
City Manager; Vickey Dion, 577-5211, vdion@modestogov.com

Resolution Number 2004-455 was not assigned.

ACTION: Resolution 2004-456 (Jackman/Hawn; unan.) approving an agreement for $981,750.00 between the City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Hashem Naraghi, Trustee of the Nora Naraghi separate property trust for Right of Way Acquisition of property for construction of Floyd Ave and authorizing the District Administrator to execute the agreement and all related property documents, and authorize the City Engineer to accept the dedications of Right-of-Way as Grantee on behalf of the City of Modesto

ACTION: Resolution 2004-457 (Jackman/Hawn; unan) finding that the project is consistent with the scope of the Village One Program EIR (Sch No. 90020181) as amended by the Supplemental EIR Acquisition of Right-of-Way for the Widening of Floyd Ave.

CONSENT
4. Consider annexation of additional territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4).
· Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-458 (Jackman/Hawn; unan) a Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 4)

CONSENT
5. Consider the Monthly Investment Report.
· Resolution approving the Monthly Investment Report recommended.
Finance; Jack Crist, 577-5224, jcrist@modestogov.com

ACTION: Motion (Jackman/Hawn; unan) approving the Monthly Investment Report

Resolution Number 2004-459 was not assigned.

CONSENT
6. Consider amending the budget to transfer necessary funds in the amount of $260,000 for the purchase of a windrow turner for use by the Public Works Department; and Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000.
· Resolution amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department recommended.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-460 (Jackman/Hawn; unan) amending the budget to transfer necessary funds for the purchase of a windrow turner for use by the Public Works Department

ACTION: Resolution 2004-461 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to formally solicit Request for Bids for one windrow turner for an estimated cost of $260,000

CONSENT
7. Consider a position allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115, to the Transit Division. This position will be partially funded by combining two part-time positions into one full-time position. Additional funding will be provided from the Transit Fund.
· Resolution approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division recommended.
· Resolution amending the budget.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2004-462 (Jackman/Hawn; unan) approving an allocation change in the Transit Division of the Public Works Department, which would add one Transit Planning Technician I (working title), Range 115 to the Transit Division

ACTION: Resolution 2004-463 (Jackman/Hawn; unan) amending the budget.

CONSENT
8. Consider the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.
· Resolution approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515 recommended.
Public Works; Beverly McCullough, 577-5495, bdmccullough@modestogov.com

ACTION: Resolution 2004-464 (Jackman/Hawn; unan) approving the renewal of the Stanislaus County Recycling Market Development Zone (RMDZ), and rescinding Resolution 93-515.

CONSENT
9. Consider accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Annex Developers, L.P., a California Limited Partnership, by Modesto Annex Investors, LLC, a California Limited Liability Company.
· Resolution accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

recommended.
Public Works; David Leamon, 577-5253, dleamon@modestogov.com

ACTION: Resolution 2004-465 (Jackman/Hawn; unan) accepting the improvements for the Papatone West subdivision in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

COUNCIL COMMENTS & REPORTS

10. At the request of Councilmember Jackman, consider adopting the farmland mitigation policy from the Kaiser Hospital project as City land use policy and initiate needed amendments.

ACTION: Referred to the Council's October workshop.

· Councilmember Jackman reported on activities at STANCOG that are underway to hire a professional to conduct a search for a new director, and current projects with associated funding.

HEARINGS

11. Hearing to consider calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #3); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-466 (Jackman/Keating; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation #3)

ACTION: Resolution 2004-467 (Jackman/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

12. Hearing to consider the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorize staff to forward the report to HUD for their review and approval.
· Resolution approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-468 (Dunbar/Keating; unan.) approving the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2003-2004, and authorizing staff to forward the report to HUD for their review and approval.

13. Hearing to consider the Mitigated Negative Declaration for Mary E. Grogan

Community Park; and Consider the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park.
· Resolution approving the Mitigated Negative Declaration for Mary E. Grogan Community Park recommended.
· Resolution approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park recommended.
Parks, Recreation & Neighborhoods; Nathan Houx, 571-5526, nhoux@modestogov.com

ACTION: Resolution 2004-469 (Jackman/Dunbar; unan.) approving the Mitigated Negative Declaration for Mary E. Grogan Community Park

ACTION: Resolution 2004-470 (Jackman/Dunbar; unan.) approving the Design Development Report and Master Plan included therein for Mary E. Grogan Community Park

NEW BUSINESS

14. Consider the Water Utility Cost of Service Rate Study prepared by Foresight Consulting and the West Yost Justification and Cost Allocation for Proposed Water System Improvements Study and consider initiating a 218 Protest process to do the following based upon report recommendations:
Ø Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05, (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5%, and 5% across-the-board rate adjustments in subsequent year (05-06 through 08-09) to support the Financial Plan, and
Ø Adopt automatic Rate Adjustments beginning July 1, 209, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners, and
Ø Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
Ø Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.
Public Works; Greg Baird, 577-5458, gbaird@modestogov.com

ACTION: Resolution 2004-471 (Hawn/Dunbar; majority; O'Bryant no) initiating a Proposition 218 Protest process to:
a. Adjust rates according to the Foresight report's proposed Financial Plan with varying rate adjustments for Fiscal Year 04-05 (dependent upon customer class, lot size, current zone and current rate) and 20%, 15%, 5% and 5% across-the-board rate adjustments in subsequent years (05-06 through 08-09) to support the Financial Plan, and
b. Adopt Automatic Rate Adjustments beginning July 1, 2009, which would provide for annual rate adjustments linked to changes in the Consumer Price Index, Urban Wage Earners and Clerical Workers Series for the San Francisco CMSA, as prepared by the California Department of Finance. The actual rates levied each year will not exceed the adjusted maximum rates in any given fiscal year without further notification of the property owners. Council will review water rates every three years to determine if further adjustments are warranted and the additional utility user's tax will be used to assist low income seniors, and
c. Send out protest notices to property owners explaining the new rate structure and proposed rate adjustments and allowing for a protest response, and
d. Set a public hearing for November 23, 2004 to consider the results of the protest response and to act on the proposed rate adjustments.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 9:15 p.m. to a special closed session

CLOSED SESSION

This item not heard.
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: Jack R. Crist, City Manager
Robin Renwick, Personnel Director

Employee Organizations: Modesto Police Officers Association

This item heard prior to the Council meeting
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Seven cases

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases

Facts and Circumstances: One current and one former City employee have alleged that the City unlawfully discriminated and/or retaliated against them.

15D.31
CFD
+cc 10/26
file
10-26-04

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO,** County Of **STANISLAUS,** State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

OCTOBER 9, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

OCTOBER 9, 2004

Cynthia Ortega
(Signature)

RECEIVED
NOV - 8 2004
CITY MANAGER/CFD

CITY OF MODESTO
NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY
TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED

ANNEXATION NO.4

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on September14, 2004, adopt its Resolution No.2004458 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004-1 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of two parcels identified by reference to Stanislaus County Assessor Parcels, as follows: A.P. Nos.077033002 and 085007018, respectively.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2004-458. The time and place for the hearing is Tuesday, October26, 2004, at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election. The above is intended to be a summary of Resolution No.2004458. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.
Dated: September 14, 2004
Jean Zahr
City Clerk
October 9, 2004

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Douglas Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 4 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto as Annexation No. 4.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

Oct. 12, 2004
Date of Execution

Modesto, California
Place of Execution

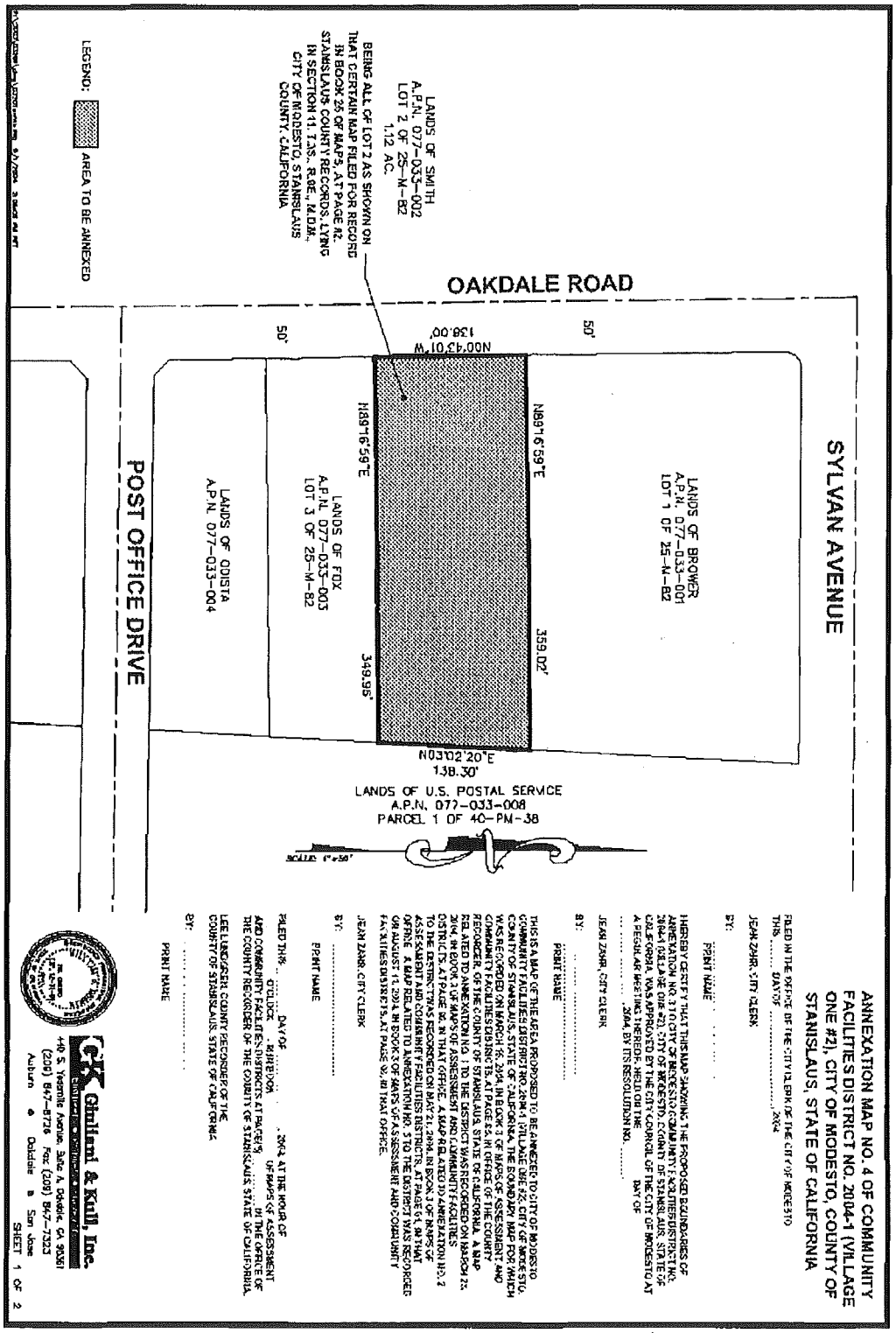
SF1 1401063v2 47922/29

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 4

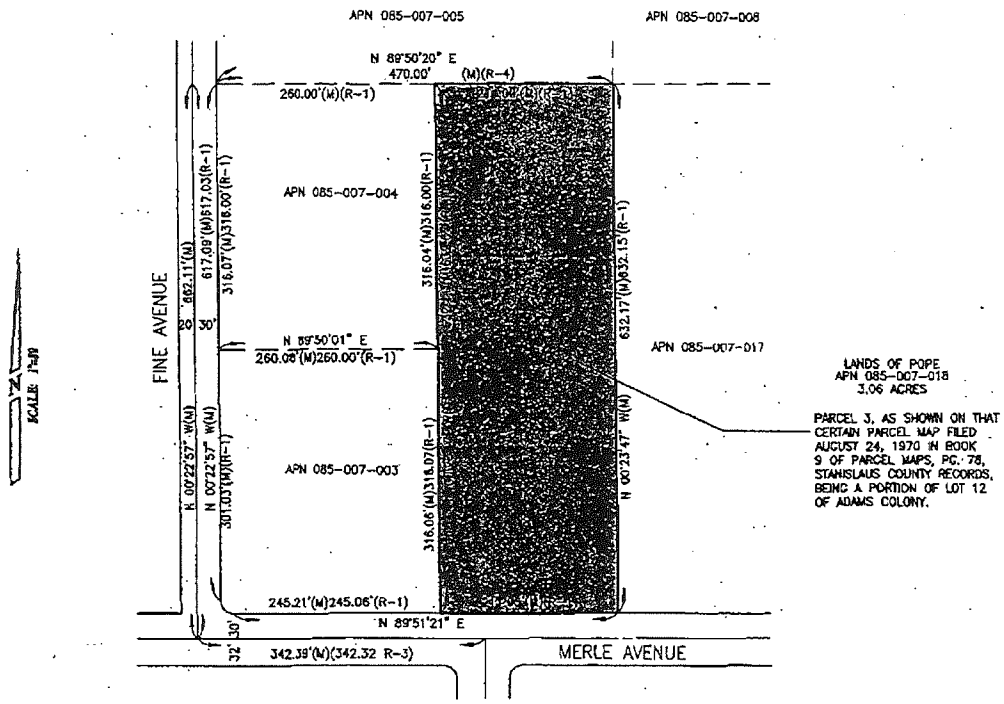
Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
077-033-002	Raymond and Shana Smith	3424 Oakdale Road Modesto, CA 95355
085-007-018	Cary and Nancy Pope	3837 Merle Ave. Modesto, CA 95355

EXHIBIT A

ANNEXATION NO. 4 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



LEGEND: AREA TO BE ANNEXED

O'DELL ENGINEERING

SHEET 2 OF 2

SFI 1401063v2 47922/29

CERTIFICATE OF REGISTRAR OF VOTERS
OF STANISLAUS COUNTY

I, Lee Lundrigan, of the Office of the Registrar of Voters of Stanislaus County, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 4 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On October 14, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are no persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF
STANISLAUS COUNTY

By: Lee Lundrigan, Clerk/Recorder & Registrar
of Voters for Stanislaus County

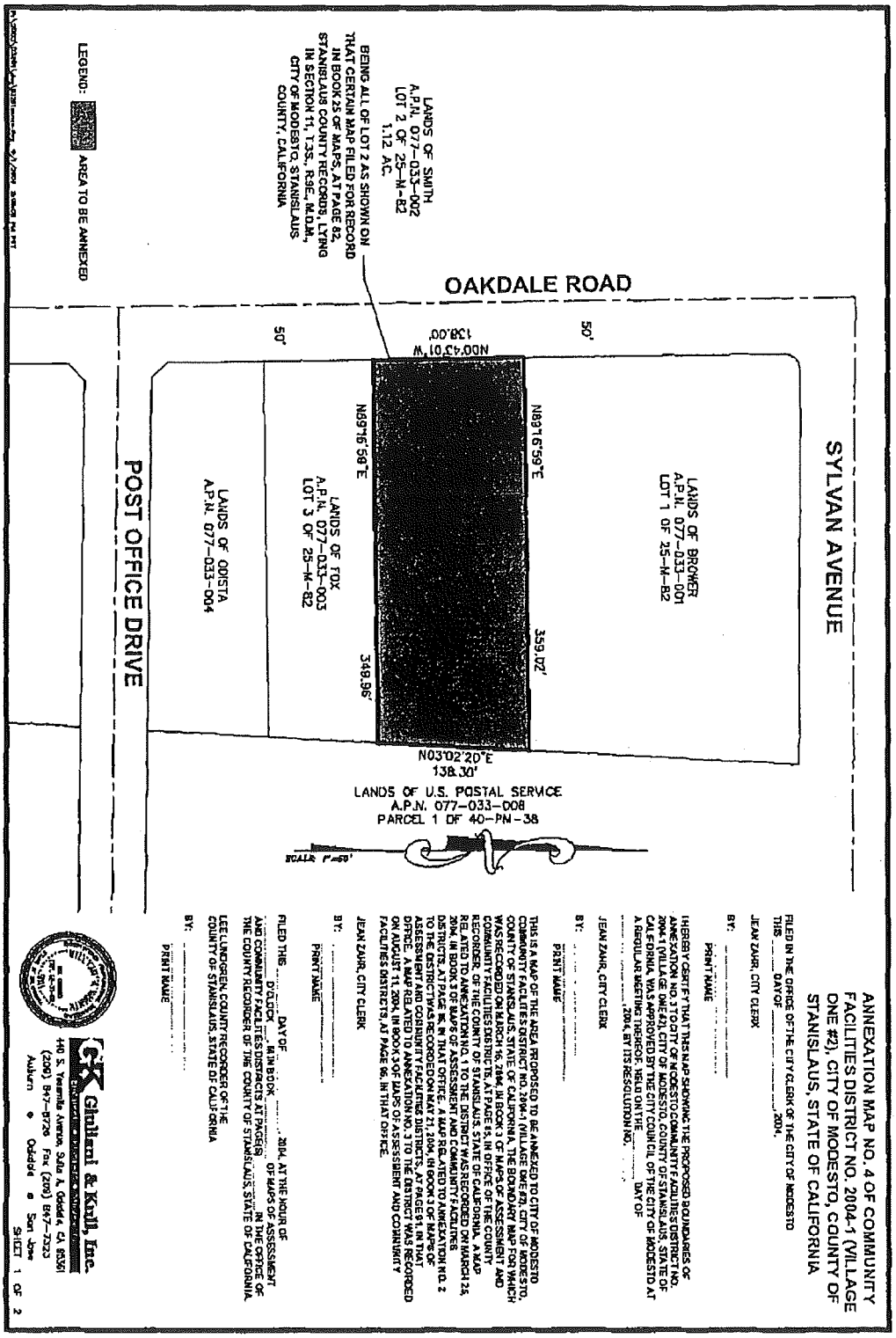
October 18, 2004
Date of Execution

Modesto, California
Place of Execution

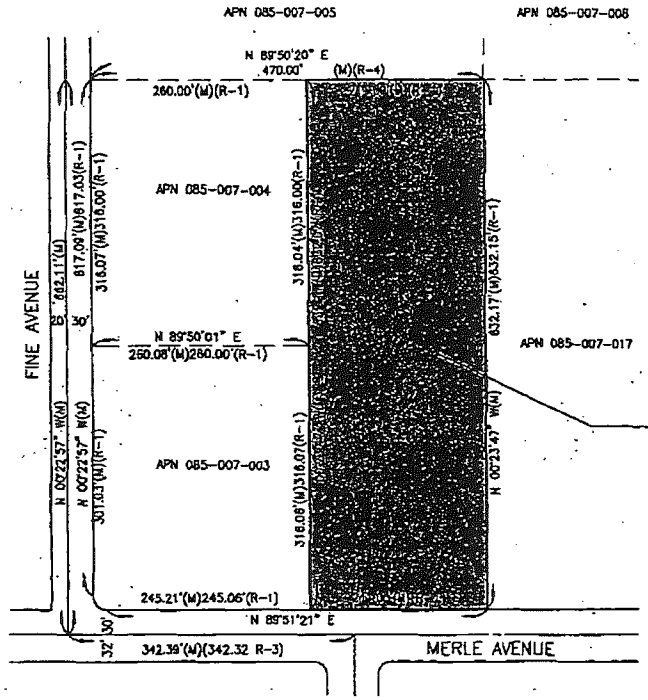
SF1 1401058v2 47922/29

EXHIBIT A

ANNEXATION NO. 4 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



LANDS OF POPE
APN 085-007-018
3.06 ACRES

PARCEL 3, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED AUGUST 24, 1970 IN BOOK 9 OF PARCEL MAPS, PG. 78, STANISLAUS COUNTY RECORDS, BEING A PORTION OF LOT 12 OF ADAMS COLONY.

LEGEND: AREA TO BE ANNEXED

O'DELL ENGINEERING

REGISTERED PROFESSIONAL ENGINEER — STATE OF CALIFORNIA

SHEET 2 OF 2

A-2

SFI 1401058v2 47922/29

Smith
A.P. No. 077-033-002

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 4

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 077-033-002 (the "Property") being land proposed to be annexed, as part of Annexation No. 4, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-458 (the "Resolution of Intention to Annex"), adopted on September 14, 2004. The land proposed to be annexed to the District as Annexation No. 4 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Raymond M Smith and Shana K Smith husband and wife as community property.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ___ There is no deed of trust or other secured interest encumbering any of the Property.

b. ✓ There is a deed of trust or other secured interest, dated Feb 8th 2000, and recorded on JAN 24 2000, in Book 9668 at Page 115 of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: Bank of America PO Box 1186 Rancho Cordova, CA 95741; the name and address of the Trustee thereunder is: Raym Smith and Shana K. Smith 3553 Morgan Rd Ceres CA 95307.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Shana ~~[illegible]~~ Smith as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: PO Box 578007 Modesto CA 95357.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: Oct 5, 2004

LANDOWNERS: Raymond and Shana Smith

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____
Raymond Smith

By: _____
Shana Smith

SF1 1401057v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2004-458 (the "Resolution") to annex certain territory (Annexation No. 4) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 10/15, 2004

Bank of America, a California Corporation ("Lender")

By: _____
Name: Gary Kooner
Title: Authorized Officer

By: _____
Name: Sabrina Tinajero
Title: Banking Center Manager

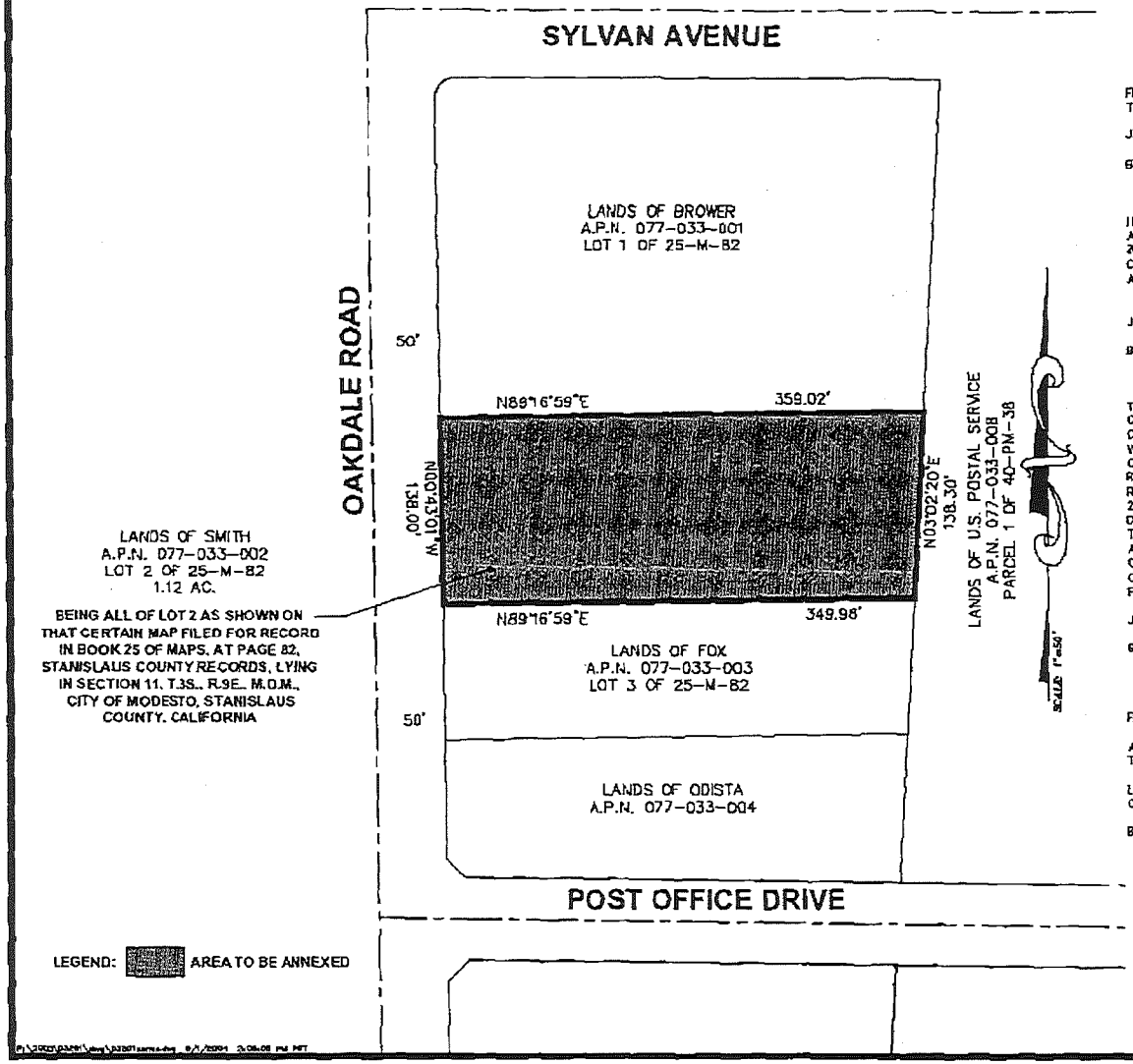
Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1401057v2 47922/29

EXHIBIT A

ANNEXATION NO. 4 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO
THIS DAY OF , 2004.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 3 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE DAY OF , 2004, BY ITS RESOLUTION NO .

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 83, IN OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 23, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS DAY OF , 2004, AT THE HOUR OF O'CLOCK M IN BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDGREN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

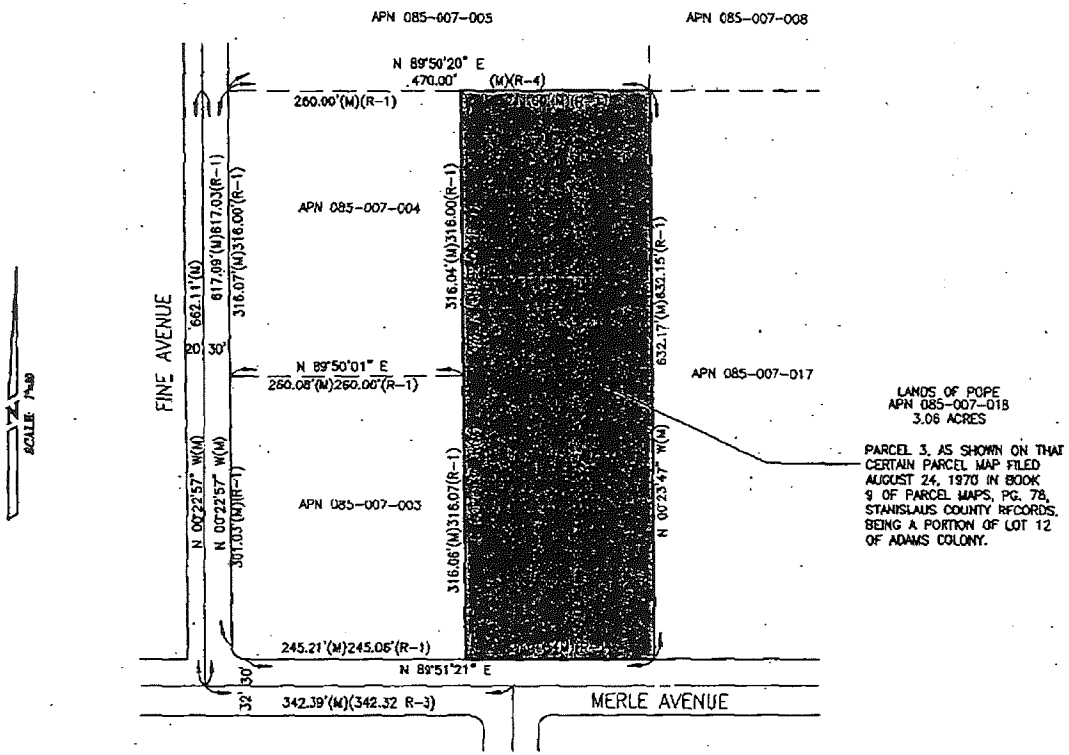
PRINT NAME

Giuliani & Kull, Inc.
440 S. Yosemite Avenue, Suite A, Oakdale, CA 95361
(209) 847-8726 Fax (209) 847-7323
Auburn • Oakdale • San Jose

SHEET 1 OF 2

SFI 1401

ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



LEGEND: AREA TO BE ANNEXED

O'DELL ENGINEERING

REGISTERED PROFESSIONAL ENGINEER O'DELL & ASSOC. No. 28547 CIVIL STATE OF CALIFORNIA

SHEET 2 OF 2

SF1 1401057v2 47922/29

Pope
A.P. No. 085-007-018

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 4

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-007-018 (the "Property") being land proposed to be annexed, as part of Annexation No. 4, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-458 (the "Resolution of Intention to Annex"), adopted on September 14, 2004. The land proposed to be annexed to the District as Annexation No. 4 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Husband and wife, as community property.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]:**

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated Feb 24, 2003, and recorded on Feb 27, 2003, in Book * at Page * of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: See Attachment 1: Name and Address of Deed of Trust Beneficiaries; the name and address of the Trustee thereunder is: Harmon Financial Corporation, 1324 G St., Modesto CA 95354.

* Recorded Document No. 2003-0028720-00

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Cary Pope as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 5301 Pirrone Rd., Ste A103, Salida CA 95368.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 10/15, 2004

LANDOWNERS: Cary and Nancy Pope

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____
Cary Pope

By: _____
Nancy Pope

SF1 1401062v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2004-458 (the "Resolution") to annex certain territory (Annexation No. 4) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 10.20, 2004

HARMON FINANCIAL CORPORATION a California Corporation ("Lender")

By: [signature]
Name: C. W. HARMON
Title: PRESIDENT

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1401062v2 47922/29

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PRUPOSES.

ATTACHMENT 1

NAME AND ADDRESS OF DEED OF TRUST BENEFICIARIES

1. James A. Morrison III and Muriel M. Morrison (as community property)
   103 McHenry Avenue, Modesto CA 95354

2. Harmon Financial Corporation
   1324 G St., Modesto CA 95354

3. Arne J. Knudsen or Soren E. Knudsen (Trustees of the Knudsen Nursery Profit Sharing Plan)
   Arne J. Knudsen
   10209 Del Almendra Dr, Oakdale CA 95361

   Soren E. Knudsen
   2724 Oakhurst Dr., Oakdale CA 95361

4. Betty J. Morgan & Pamela J. Morgan & Deborah Morgan (joint tenants)

5. Anne R. Robertson

6. Phillip G. Martin and Susan L. Martin (husband and wife)
   2800 Scenic Dr., Modesto CA 95355

7. Glenn T. Robison and Jane Robison (Trustees of The Robison Living Trust)
   3444 Moody Ln., Modesto CA 95350

8. John V. Borba and Vera B. Borba (as joint tenants)
   700 Meadow Lark Dr., Turlock CA 95382

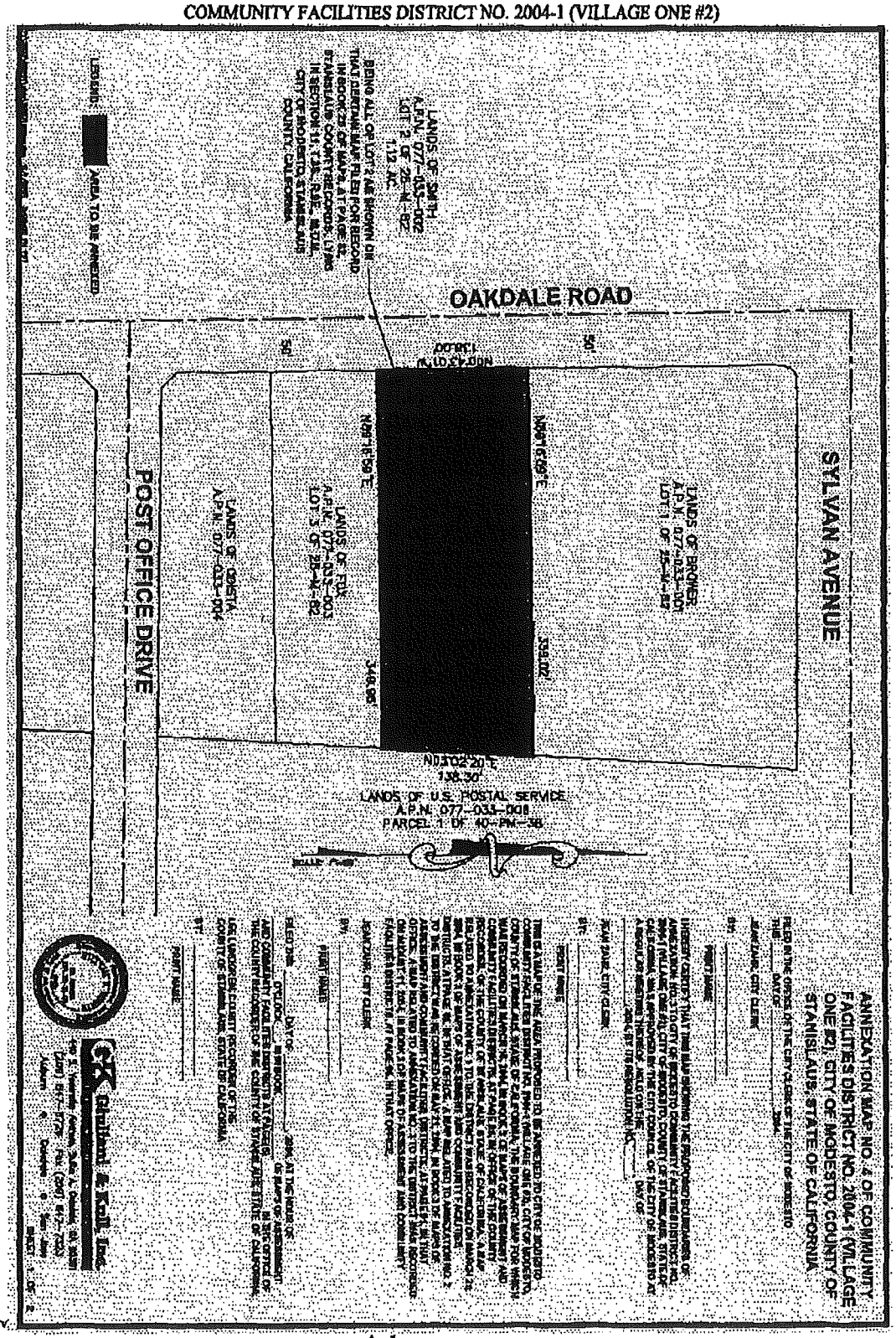
9. Ola Faye Ricketts (Trustee of The Ola Faye Ricketts Revocable Living Trust)
   620 Amber St., Modesto CA 95356

10. Richard E. Jamison and Donna K. Jamison (as joint tenants)

EXHIBIT A

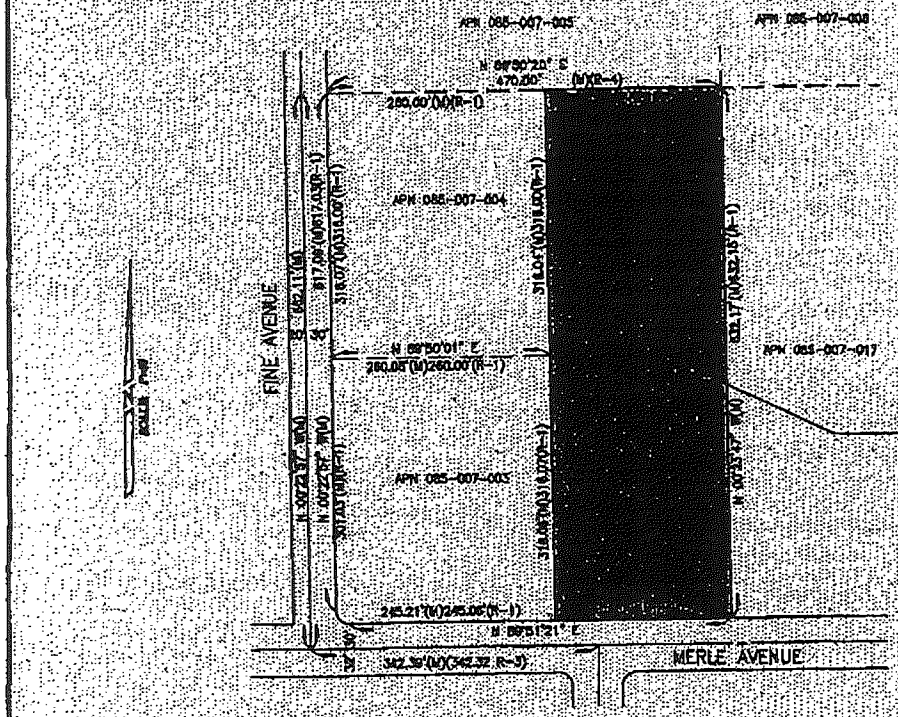
ANNEXATION NO. 4 TO

COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



SF1 1401062v

ANNEXATION MAP NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



LEGEND: AREA TO BE ANNEXED

O'DELL ENGINEERING

SHEET 2 OF 2

A-2

SFI 1401062v2 47922/29

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2004-569, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 4)," adopted by the City Council of the City of Modesto on October 26, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On October 20, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 4. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: October 20, 2004

Place of Execution: Modesto, California

SF1 1401066v2 47922/29

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

Name and address of Authorized Representative to which a ballot was personally delivered or mailed.

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Raymond and Shana Smith 3424 Oakdale Road Modesto, CA 95355	Shana Smith 3424 Oakdale Road P.O. Box 578007 Modesto, CA 95357	1	2
Cary and Nancy Pope 5301 Pirrone Road, Ste. A103 Salida, CA 95368	Cary Pope 5301 Pirrone Road, Suite A103 Salida, California 95368	2	4

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

October 20, 2004

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 4 to the City's Community Facilities District No. 2004 1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto not later than noon, October 26, 2004. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 4

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

October 26, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 4, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on October 26, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

SF1 1401066v2 47922/29

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

27% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 1

27% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, _____, certify as follows:

(1) I am the Authorized Representative of Raymond and Shana Smith, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 4 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-002 (the "Parcel"), which comprises approximately 1.12 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

CITY of MODESTO

Community Facilities Districts

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/571-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

October 20, 2004

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 4 to the City's Community Facilities District No. 2004 1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto not later than noon, October 26, 2004. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 4

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

October 26, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 4, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on October 26, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

73% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 4
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 24, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 2

73% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 4 VOTES

AUTHORIZATION
(BALLOT NO. 2)

I, _____, certify as follows:

(1) I am the Authorized Representative of Cary and Nancy Pope, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 4 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-007-018 (the "Parcel"), which comprises approximately 3.06 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004 - 569

A RESOLUTION CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 4)

WHEREAS, this Council did, on September 14, 2004, adopt its Resolution No. 2004-458 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon;

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk;

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on September 15, 2004, in the Office of the County Recorder of the County of Stanislaus, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 99;

WHEREAS, at the time and date set for the hearing (October 26, 2004) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes

within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex;

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon;

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex;

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory;

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be

applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received appropriate waivers of time limits and other requirements pertaining to the conduct of the election by each of the owners of land in the Annexed Territory (collectively, the "Landowners"), the election shall be held on the 26th day of October 2004. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowners.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the landowners.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of October 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

EXHIBIT A

SAMPLE

OFFICIAL BALLOT

BALLOT NO. ___

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST ___
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF __ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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City Council Calendar

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 26, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Michael Douglas, Advancing Vibrant Communities

City Clerk's Announcements - Item 5 removed from the Agenda
Item 18 removed from Consent
Item 22 supplemental amount changed from $2, 846, 623 to $657,729
Item 27 recommended to be continued to November 9, 2004

Declaration of Conflicts of Interest: Ridenour-Item 3

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Senior Civil Engineer Bill Sandhu by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles.

Councilmember Hawn absent due to conflict of interest
2. Consider the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.
· Resolution approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods

Department to work with Mr. Machado to bring this project to fruition recommended.
Parks, Recreation & Neighborhoods; Loren Holt, 571-5573, lholt@modestogov.com

ACTION: Resolution 2004-543 (O'Bryant/Marsh; unan. Hawn absent due to conflict of interest) approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.

MISCELLANEOUS
Legislation

Mayor Ridenour absent due to conflict of interest.
3. Consider the 2004-2005 Legislative Platform.
· Resolution approving the 2004-2005 Legislative Platform recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-544 (Dunbar/Hawn; unan. Ridenour absent due to conflict) approving the 2004-2005 Legislative Platform

ORAL COMMUNICATIONS
Three minute time limit per speaker

§ Matt Machado spoke to the Council regarding water connection charges for new development.
§ Councilmembers responded to Mr. Machado regarding the connection fee study which is underway.
§ Carmen Sabatino commented on water connection fees and Item 5 on the agenda.
§ Chris Murphy made a presentation to the Council regarding their support of the MAMA awards.
§ Susan Evans resident of Palm Avenue commented on the flooding and requested sidewalks be installed.
§ Nathan McMullen resident of Emerald Point requested police assistance to monitor drug activity.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 23

ACTION Consent Items 4, 6-17, 19- 23: Jackman/Keating; unan.

ACTION Item 18: Dunbar/Marsh; majority; O'Bryant no

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of October 12, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the minutes of the regular City Council meeting of October 12, 2004.

Removed from the Agenda
5. Consider amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney.
· Resolution approving amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Removed from the Agenda.

CONSENT
6. Consider annexation of additional territory to the Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5).
· Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modesgov.com

ACTION: Resolution 2004-545 (Jackman/Keating; unan.) a Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5)

CONSENT
7. Consider appointing Deputy City Manager George Britton, as Acting City Manager.
· Resolution appointing Deputy City Manager George Britton, as Acting City Manager recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-546 (Jackman/Keating; unan.) appointing Deputy City Manager George Britton, as Acting City Manager

CONSENT
8. Consider accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department.
· Resolution accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Resolution 2004-547 (Jackman/Keating; unan.) accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department

CONSENT
9. Monthly Investment Report - August 2004
· Motion acknowledging receipt of the August 2004 Monthly Investment Report recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the August 2004 Monthly Investment Report.

CONSENT

10. Consider authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88.
· Resolution authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-548 (Jackman/Keating; unan.) authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88

CONSENT
11. Consider terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization.
· Resolution terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-549 (Jackman/Keating; unan.) terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization

CONSENT
12. Consider the Modesto Sister Cities International Annual Report.
· Motion acknowledging receipt of the Modesto Sister Cities International Annual Report recommended.
Parks, Recreation & Neighborhoods; Debbie Conder, 577-5391, dconder@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the Modesto Sister Cities International Annual Report

CONSENT
13. Consider an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park.
· Resolution approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-550 (Jackman/Keating; unan.) approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park

CONSENT
14. Consider an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.
· Resolution approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III recommended.
Parks, Recreation & Neighborhoods; Bob Ford, 577-5437, bford@modestogov.com

ACTION: Resolution 2004-551 (Jackman/Keating; unan.) approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.

CONSENT
15. Consider authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.
· Resolution authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2004-552 (Jackman/Keating; unan.) authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.

CONSENT
16. Consider accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.
· Resolution accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-553 (Jackman/Keating; unan.) accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.

CONSENT
17. Consider amending the Position Classification Plan to create the classification of Housing and Urban Development Manager, and Consider amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441.
· Resolution amending the Position Classification Plan to create the classification of Housing and Urban Development Manager recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441 recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-554 (Jackman/Keating; unan.) amending the Position Classification Plan to create the classification of Housing and Urban Development Manager

ACTION: Resolution 2004-555 (Jackman/Keating; unan.) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441

Removed from Consent
18. Consider salary adjustments for City Clerk & Auditor, City Attorney and Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005.

· Resolution approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005 recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2004-556 (Dunbar/Marsh; majority O'Bryant no) approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005

CONSENT
19. Consider approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers; and Consider amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program.
· Resolution approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers recommended.
· Resolution amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program recommended.
Police; Judy Tognolini, 572-9523, tognolinij@modestopd.com

ACTION: Resolution 2004-557 (Jackman/Keating; unan.) approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers

ACTION: Resolution 2004-558 (Jackman/Keating; unan.) amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program

CONSENT
20. Consider the Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration.
· Resolution approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration recommended.
Public Works; Michael Musca, 577-5319, mmusca@modestogov.com

ACTION: Resolution 2004-559 (Jackman/Keating; unan.) approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration

CONSENT
21. Consider the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement.
· Resolution approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-560 (Jackman/Keating; unan.) approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement

CONSENT
22. Consider approving and authorizing submission of the Local Transportation Fund

(LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG).
· Resolution approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG) recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-561 (Jackman/Keating; unan.) approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG)

CONSENT
23. Consider accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Tully Investors L.P., a California limited partnership, by Modesto Tully ventures, LLC, a California limited partnership company.
· Resolution accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-562 (Jackman/Keating; unan.) accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

24. Consider an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.
· Resolution approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005 recommended.
Public Works, Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: Resolution 2004-563 (Marsh/Jackman; unan.) approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.

HEARINGS

25. Hearing to consider approving the allocation of HOME funds in the amount of $1,030,791 to the Housing Authority of the County of Stanislaus for the development of a multi-family housing project in Village One. This project will provide 60 new units for low-income individuals and families.
· Resolution allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds recommended.
· Resolution amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-564 (Jackman/Hawn; unan.) allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds.

ACTION: Resolution 2004-565 (Jackman/Hawn; unan.) amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts

26. Hearing to consider introducing a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.
· Resolution approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course recommended.
Parks, Recreation & Neighborhoods; James Niskanen, 577-5351, jniskanen@modestogov.com

ACTION: Resolution 2004-566 (Jackman/O'Bryant; unan.) approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.

This item was continued from October 12, 2004, and is being requested to continue to November 9, 2004
27. Hearing to consider the spending plan for the 2004 Supplemental Law Enforcement Services Fund.
· Resolution approving the spending plan for the 2004 Supplemental Law Enforcement Services Fund recommended.

ACTION: By Motion (Hawn/Dunbar; unan.) this item was continued to November 9, 2004

This item was continued from October 12, 2004
28. Hearing to consider the spending plan for the 2004 Local Law Enforcement Block Grant.
· Resolution approving the spending plan for the Local Law Enforcement Block Grant recommended.
· Resolution amending the budget recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2004-567 (Dunbar/Keating; unan.) approving the spending plan for the Local Law Enforcement Block Grant

ACTION: Resolution 2004-568 (Dunbar/Keating; unan.) amending the budget.

29. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4; and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-569 (Jackman/Dunbar; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4)

ACTION: Resolution 2004-570 (Jackman/Dunbar; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1

Recess 7:15
Reconvene 7:25

30. Hearing to consider the application of Terry L. Mundy for an amendment to a portion of Planned Development Zone, P-D(346) for office and storage building addition and additional off-street parking at 2630 West Rumble Road.
· Motion introducing an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)" recommended.
· Resolution amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)" recommended.
· Resolution finding that the following project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy) recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (Marsh/Jackman; unan) **introduced Ordinance No. 3358-C.S.** an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)"

ACTION: Resolution 2004-571 (Marsh/Jackman; unan) amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)"

ACTION: Resolution 2004-572 (Marsh/Jackman; unan) finding that the following

project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy).

31. Hearing to consider the application of Ted Brandvold, Architect on behalf of James Champion for an amendment to Section 19-3-9 of the Zoning Map to rezone R-1 to P-D(87) as an addition to P-D(87) as an addition to P-D(87) and to amend P-D(87) to allow an additional 12 apartment units on the west side of Tully Road south of Pearl Street.
· Motion introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street recommended.
· Resolution amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)" recommended.
· Resolution finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (O'Bryant/Hawn; unan.) **introduced Ordinance No. 3359-C.S.** introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street

ACTION: Resolution 2004-573 (O'Bryant/Hawn; unan.) amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)".

ACTION: Resolution 2004-574 (O'Bryant/Hawn; unan.) finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR

32. Hearing to consider the appeal of Karen Burdick to a denial by the Board of Zoning Adjustment of a variance to retain a fence encroaching into the 15-foot setbacks from two adjoining streets, property located at 1201 Ojai Lane.
· Resolution denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Resolution 2004-575 (Dunbar/Keating; unan.) denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:15 p.m.

The following Closed Session was heard prior to the Council meeting.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: City of Modesto v. Viacom Outdoor, Inc., et al.
Stanislaus County Superior Court No. 329869

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

YES [X]

NO [ ]

RECEIVED
MODESTO CITY CLERK
04 OCT 21 PM 2:29

BALLOT NO. 1

27% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

SF1 1401066v2 47922/29

RECEIVED
MODESTO CITY CLERK
04 OCT 21 PM 2:29

AUTHORIZATION
(BALLOT NO. 1)

I, Shana Smith, certify as follows:

(1) I am the Authorized Representative of Raymond and Shana Smith, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 4 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-033-002 (the "Parcel"), which comprises approximately 1.12 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on Oct. 21, 2004 at City Manager Office Modesto, CA, _____.

Shana Smith
Signature of Authorized Representative (Voter)

3424 Oakdale Road
Modesto CA 95355
Address of Authorized Representative (Voter)

SF1 1401066v2 47922/29

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 4

SPECIAL TAX ELECTION

October 26, 2004

73% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 4
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 24, 2004, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 2

73% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 4 VOTES

SF1 1401066v2 47922/29

RECEIVED
MODESTO CITY CLERK
04 OCT 26 AM 10:48

AUTHORIZATION
(BALLOT NO. 2)

I, Cary & Nancy Pope, certify as follows:

(1) I am the Authorized Representative of Cary and Nancy Pope, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 4 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-007-018 (the "Parcel"), which comprises approximately 3.06 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 10-26-, 2004 at City of Modesto Stanislaus County, CA.

Cary / Nancy M Pope
Signature of Authorized Representative (Voter)

3837 Mark
Modesto, CA
95355
Address of Authorized Representative (Voter)

SFI 1401066v2 47922/29

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-569, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 4) adopted on October 26, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on October 26, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 6 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: 10/27, 2004

SF1 1401071v2 47922/29

MODESTO CITY COUNCIL
RESOLUTION NO. 2004 - 570

A RESOLUTION CANVASSING THE RESULTS OF THE OCTOBER 26, 2004, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 4)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" adopted on September 14, 2004, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act");

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2004-569, adopted on October 26, 2004, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for October 26, 2004, relative to the foregoing;

WHEREAS, on October 26, 2004, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2004-458 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of

Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of October 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-569, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 4) adopted on October 26, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on October 26, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-458, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 4)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on September 14, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES ___ NO ___

_____
Jean Zahr
City Clerk of the City of Modesto

Dated: _____, 2004

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 26, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Michael Douglas, Advancing Vibrant Communities

City Clerk's Announcements - Item 5 removed from the Agenda
Item 18 removed from Consent
Item 22 supplemental amount changed from $2, 846, 623 to $657,729
Item 27 recommended to be continued to November 9, 2004

Declaration of Conflicts of Interest: Ridenour-Item 3

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Senior Civil Engineer Bill Sandhu by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles.

Councilmember Hawn absent due to conflict of interest
2. Consider the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.
· Resolution approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods

Department to work with Mr. Machado to bring this project to fruition recommended.
Parks, Recreation & Neighborhoods; Loren Holt, 571-5573, lholt@modestogov.com

ACTION: Resolution 2004-543 (O'Bryant/Marsh; unan. Hawn absent due to conflict of interest) approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.

MISCELLANEOUS
Legislation

Mayor Ridenour absent due to conflict of interest.
3. Consider the 2004-2005 Legislative Platform.
· Resolution approving the 2004-2005 Legislative Platform recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-544 (Dunbar/Hawn; unan. Ridenour absent due to conflict) approving the 2004-2005 Legislative Platform

ORAL COMMUNICATIONS
Three minute time limit per speaker

§ Matt Machado spoke to the Council regarding water connection charges for new development.
§ Councilmembers responded to Mr. Machado regarding the connection fee study which is underway.
§ Carmen Sabatino commented on water connection fees and Item 5 on the agenda.
§ Chris Murphy made a presentation to the Council regarding their support of the MAMA awards.
§ Susan Evans resident of Palm Avenue commented on the flooding and requested sidewalks be installed.
§ Nathan McMullen resident of Emerald Point requested police assistance to monitor drug activity.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 23

ACTION Consent Items 4, 6-17, 19- 23: Jackman/Keating; unan.

ACTION Item 18: Dunbar/Marsh; majority; O'Bryant no

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of October 12, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the minutes of the regular City Council meeting of October 12, 2004.

Removed from the Agenda
5. Consider amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney.
· Resolution approving amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Removed from the Agenda.

CONSENT
6. Consider annexation of additional territory to the Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5).
· Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modesgov.com

ACTION: Resolution 2004-545 (Jackman/Keating; unan.) a Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5)

CONSENT
7. Consider appointing Deputy City Manager George Britton, as Acting City Manager.
· Resolution appointing Deputy City Manager George Britton, as Acting City Manager recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-546 (Jackman/Keating; unan.) appointing Deputy City Manager George Britton, as Acting City Manager

CONSENT
8. Consider accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department.
· Resolution accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Resolution 2004-547 (Jackman/Keating; unan.) accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department

CONSENT
9. Monthly Investment Report - August 2004
· Motion acknowledging receipt of the August 2004 Monthly Investment Report recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the August 2004 Monthly Investment Report.

CONSENT

10. Consider authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88.
· Resolution authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-548 (Jackman/Keating; unan.) authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88

CONSENT
11. Consider terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization.
· Resolution terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-549 (Jackman/Keating; unan.) terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization

CONSENT
12. Consider the Modesto Sister Cities International Annual Report.
· Motion acknowledging receipt of the Modesto Sister Cities International Annual Report recommended.
Parks, Recreation & Neighborhoods; Debbie Conder, 577-5391, dconder@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the Modesto Sister Cities International Annual Report

CONSENT
13. Consider an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park.
· Resolution approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-550 (Jackman/Keating; unan.) approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park

CONSENT
14. Consider an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.
· Resolution approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III recommended.
Parks, Recreation & Neighborhoods; Bob Ford, 577-5437, bford@modestogov.com

ACTION: Resolution 2004-551 (Jackman/Keating; unan.) approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.

CONSENT
15. Consider authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.
· Resolution authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2004-552 (Jackman/Keating; unan.) authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.

CONSENT
16. Consider accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.
· Resolution accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-553 (Jackman/Keating; unan.) accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.

CONSENT
17. Consider amending the Position Classification Plan to create the classification of Housing and Urban Development Manager, and Consider amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441.
· Resolution amending the Position Classification Plan to create the classification of Housing and Urban Development Manager recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441 recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-554 (Jackman/Keating; unan.) amending the Position Classification Plan to create the classification of Housing and Urban Development Manager

ACTION: Resolution 2004-555 (Jackman/Keating; unan.) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441

Removed from Consent
18. Consider salary adjustments for City Clerk & Auditor, City Attorney and Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005.

· Resolution approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005 recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2004-556 (Dunbar/Marsh; majority O'Bryant no) approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005

CONSENT
19. Consider approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers; and Consider amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program.
· Resolution approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers recommended.
· Resolution amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program recommended.
Police; Judy Tognolini, 572-9523, tognolinij@modestopd.com

ACTION: Resolution 2004-557 (Jackman/Keating; unan.) approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers

ACTION: Resolution 2004-558 (Jackman/Keating; unan.) amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program

CONSENT
20. Consider the Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration.
· Resolution approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration recommended.
Public Works; Michael Musca, 577-5319, mmusca@modestogov.com

ACTION: Resolution 2004-559 (Jackman/Keating; unan.) approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration

CONSENT
21. Consider the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement.
· Resolution approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-560 (Jackman/Keating; unan.) approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement

CONSENT
22. Consider approving and authorizing submission of the Local Transportation Fund

(LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG).
· Resolution approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG) recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-561 (Jackman/Keating; unan.) approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG)

CONSENT
23. Consider accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Tully Investors L.P., a California limited partnership, by Modesto Tully ventures, LLC, a California limited partnership company.
· Resolution accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-562 (Jackman/Keating; unan.) accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

24. Consider an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.
· Resolution approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005 recommended.
Public Works, Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: Resolution 2004-563 (Marsh/Jackman; unan.) approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.

HEARINGS

25. Hearing to consider approving the allocation of HOME funds in the amount of $1,030,791 to the Housing Authority of the County of Stanislaus for the development of a multi-family housing project in Village One. This project will provide 60 new units for low-income individuals and families.
· Resolution allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds recommended.
· Resolution amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-564 (Jackman/Hawn; unan.) allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds.

ACTION: Resolution 2004-565 (Jackman/Hawn; unan.) amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts

26. Hearing to consider introducing a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.
· Resolution approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course recommended.
Parks, Recreation & Neighborhoods; James Niskanen, 577-5351, jniskanen@modestogov.com

ACTION: Resolution 2004-566 (Jackman/O'Bryant; unan.) approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.

This item was continued from October 12, 2004, and is being requested to continue to November 9, 2004
27. Hearing to consider the spending plan for the 2004 Supplemental Law Enforcement Services Fund.
· Resolution approving the spending plan for the 2004 Supplemental Law Enforcement Services Fund recommended.

ACTION: By Motion (Hawn/Dunbar; unan.) this item was continued to November 9, 2004

This item was continued from October 12, 2004
28. Hearing to consider the spending plan for the 2004 Local Law Enforcement Block Grant.
· Resolution approving the spending plan for the Local Law Enforcement Block Grant recommended.
· Resolution amending the budget recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2004-567 (Dunbar/Keating; unan.) approving the spending plan for the Local Law Enforcement Block Grant

ACTION: Resolution 2004-568 (Dunbar/Keating; unan.) amending the budget.

29. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4; and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-569 (Jackman/Dunbar; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4)

ACTION: Resolution 2004-570 (Jackman/Dunbar; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1

Recess 7:15
Reconvene 7:25

30. Hearing to consider the application of Terry L. Mundy for an amendment to a portion of Planned Development Zone, P-D(346) for office and storage building addition and additional off-street parking at 2630 West Rumble Road.
· Motion introducing an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)" recommended.
· Resolution amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)" recommended.
· Resolution finding that the following project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy) recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (Marsh/Jackman; unan) **introduced Ordinance No. 3358-C.S.** an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)"

ACTION: Resolution 2004-571 (Marsh/Jackman; unan) amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)"

ACTION: Resolution 2004-572 (Marsh/Jackman; unan) finding that the following

project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy).

31. Hearing to consider the application of Ted Brandvold, Architect on behalf of James Champion for an amendment to Section 19-3-9 of the Zoning Map to rezone R-1 to P-D(87) as an addition to P-D(87) as an addition to P-D(87) and to amend P-D(87) to allow an additional 12 apartment units on the west side of Tully Road south of Pearl Street.
· Motion introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street recommended.
· Resolution amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)" recommended.
· Resolution finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (O'Bryant/Hawn; unan.) **introduced Ordinance No. 3359-C.S.** introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street

ACTION: Resolution 2004-573 (O'Bryant/Hawn; unan.) amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)".

ACTION: Resolution 2004-574 (O'Bryant/Hawn; unan.) finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR

32. Hearing to consider the appeal of Karen Burdick to a denial by the Board of Zoning Adjustment of a variance to retain a fence encroaching into the 15-foot setbacks from two adjoining streets, property located at 1201 Ojai Lane.
· Resolution denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Resolution 2004-575 (Dunbar/Keating; unan.) denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:15 p.m.

The following Closed Session was heard prior to the Council meeting.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: City of Modesto v. Viacom Outdoor, Inc., et al.
Stanislaus County Superior Court No. 329869

REC'T # 0001623202
October 28, 2004 15:54:19

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office

Document #04-0178895-00

Account Number 402
Counter Customers
Free Issue

Total fee	$0.00
Amount Tendered...	$0.00
Change	$0.00

ELM,R2/3

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
P.O. Box 642)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIA
TAX LIEN
(NOTICE OF ANNEXATION NO. 4)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to the District by the City Council of the City following approval of the levy of the District special taxes (the "Special Taxes") in the Annexed Territory by the qualified voters therein at a special tax election held on October 26, 2004. The rate, method of apportionment and manner of collection of the Special Taxes is set forth in Exhibit A to the Notice of Special Tax Lien. The Special Taxes are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits A, B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 4), the Special Taxes are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real

property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 4), and not exempt from the Special Tax, are as follows:

Assessor's Parcel No.	Owner's Name
077-033-002	Raymond and Shana Smith 3424 Oakdale Road Modesto, CA 95355
085-007-018	Cary and Nancy Pope 5301 Pirrone Road, Suite A103 Salida, CA 95368

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at page 99, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: October 28, 2004

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 10-28-04 before me, DEBRA A. Gilbert
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debra A. Gilbert [Seal]

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2005

SF1 1401064v2 47922/29

MODESTO CITY COUNCIL
RESOLUTION NO.2004-545

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION No. 5)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"); and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District; and

WHEREAS, the territory to be annexed is within the City limits;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County

Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; and the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A.**

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of

this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are also set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, December 7, 2004, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the

public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of October 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

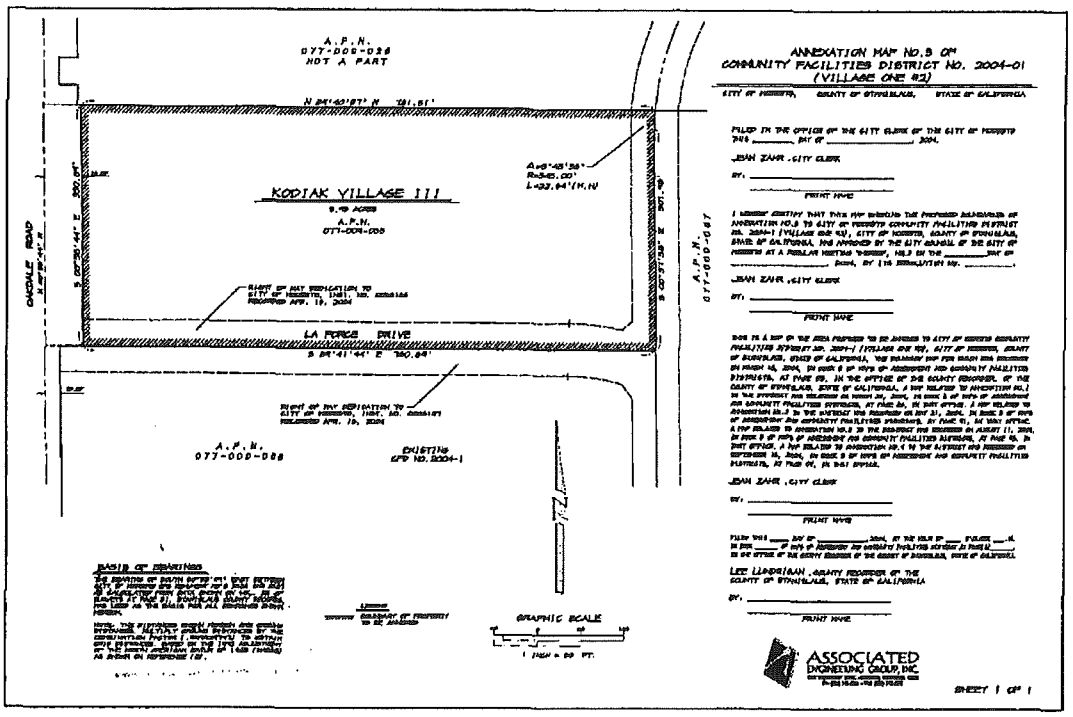
APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 5 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



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Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 26, 2004, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Michael Douglas, Advancing Vibrant Communities

City Clerk's Announcements - Item 5 removed from the Agenda
Item 18 removed from Consent
Item 22 supplemental amount changed from $2, 846, 623 to $657,729
Item 27 recommended to be continued to November 9, 2004

Declaration of Conflicts of Interest: Ridenour-Item 3

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Senior Civil Engineer Bill Sandhu by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles.

Councilmember Hawn absent due to conflict of interest
2. Consider the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.
· Resolution approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods

Department to work with Mr. Machado to bring this project to fruition recommended.
Parks, Recreation & Neighborhoods; Loren Holt, 571-5573, lholt@modestogov.com

ACTION: Resolution 2004-543 (O'Bryant/Marsh; unan. Hawn absent due to conflict of interest) approving the proposal by Dan Machado to repair, rebuild, and install the Rogers Boy Fountain in a new plaza in the triangle parcel of City land at the intersection of L Street, 14th Street and Needham Avenue using donations and private funds, and directing staff from the Parks, Recreation and Neighborhoods Department to work with Mr. Machado to bring this project to fruition.

MISCELLANEOUS
Legislation

Mayor Ridenour absent due to conflict of interest.
3. Consider the 2004-2005 Legislative Platform.
· Resolution approving the 2004-2005 Legislative Platform recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-544 (Dunbar/Hawn; unan. Ridenour absent due to conflict) approving the 2004-2005 Legislative Platform

ORAL COMMUNICATIONS
Three minute time limit per speaker

§ Matt Machado spoke to the Council regarding water connection charges for new development.
§ Councilmembers responded to Mr. Machado regarding the connection fee study which is underway.
§ Carmen Sabatino commented on water connection fees and Item 5 on the agenda.
§ Chris Murphy made a presentation to the Council regarding their support of the MAMA awards.
§ Susan Evans resident of Palm Avenue commented on the flooding and requested sidewalks be installed.
§ Nathan McMullen resident of Emerald Point requested police assistance to monitor drug activity.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 23

ACTION Consent Items 4, 6-17, 19- 23: Jackman/Keating; unan.

ACTION Item 18: Dunbar/Marsh; majority; O'Bryant no

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of October 12, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the minutes of the regular City Council meeting of October 12, 2004.

Removed from the Agenda
5. Consider amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney.
· Resolution approving amendments to the Policy Against Harassment and Discrimination and the Complaint Procedure for alleged violations of that policy to shift the primary responsibility for formal investigations of alleged violations to the City Attorney recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Removed from the Agenda.

CONSENT
6. Consider annexation of additional territory to the Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5).
· Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modesgov.com

ACTION: Resolution 2004-545 (Jackman/Keating; unan.) a Resolution of Intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 5)

CONSENT
7. Consider appointing Deputy City Manager George Britton, as Acting City Manager.
· Resolution appointing Deputy City Manager George Britton, as Acting City Manager recommended.
City Manager; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2004-546 (Jackman/Keating; unan.) appointing Deputy City Manager George Britton, as Acting City Manager

CONSENT
8. Consider accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department.
· Resolution accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department recommended.
Community & Economic Development; Miguel Galvez, 577-5276, mgalvez@modestogov.com

ACTION: Resolution 2004-547 (Jackman/Keating; unan.) accepting the 2003 Annual General Plan Report and directing staff to submit the report to the State Office of Planning and Research, and the State Housing Community Development Department

CONSENT
9. Monthly Investment Report - August 2004
· Motion acknowledging receipt of the August 2004 Monthly Investment Report recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the August 2004 Monthly Investment Report.

CONSENT

10. Consider authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88.
· Resolution authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2004-548 (Jackman/Keating; unan.) authorizing the award of bid and contract for lighted crosswalk units to SmartStud Systems for a total estimated cost of $68,288.88

CONSENT
11. Consider terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization.
· Resolution terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-549 (Jackman/Keating; unan.) terminating Desarrollo Latino Americano Inc. as a Community Housing Development Organization and as a Community Based Development Organization

CONSENT
12. Consider the Modesto Sister Cities International Annual Report.
· Motion acknowledging receipt of the Modesto Sister Cities International Annual Report recommended.
Parks, Recreation & Neighborhoods; Debbie Conder, 577-5391, dconder@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the Modesto Sister Cities International Annual Report

CONSENT
13. Consider an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park.
· Resolution approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-550 (Jackman/Keating; unan.) approving an application for $1,000,000 in California Youth Soccer and Recreation Development Program funding for the development of a soccer complex at Mary E. Grogan Park

CONSENT
14. Consider an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.
· Resolution approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III recommended.
Parks, Recreation & Neighborhoods; Bob Ford, 577-5437, bford@modestogov.com

ACTION: Resolution 2004-551 (Jackman/Keating; unan.) approving an additional agreement with Callander Associates Landscape Architecture Inc. for preparing design development, construction documents, and for performing bidding and construction administration services for the Virginia Avenue Corridor Bike Trail/Linear Park Project, Phase III.

CONSENT
15. Consider authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.
· Resolution authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2004-552 (Jackman/Keating; unan.) authorizing staff to issue a Request for Proposals to search for a qualified and experienced firm who are interested in contracting with the City's Parks, Recreation and Neighborhood Department to provide high quality property management for certain specified City-owned property.

CONSENT
16. Consider accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.
· Resolution accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-553 (Jackman/Keating; unan.) accepting Xclamation Fest 2004 report and approving Xclamation Fest 2005 for July 23, 2005.

CONSENT
17. Consider amending the Position Classification Plan to create the classification of Housing and Urban Development Manager, and Consider amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441.
· Resolution amending the Position Classification Plan to create the classification of Housing and Urban Development Manager recommended.
· Resolution amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441 recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-554 (Jackman/Keating; unan.) amending the Position Classification Plan to create the classification of Housing and Urban Development Manager

ACTION: Resolution 2004-555 (Jackman/Keating; unan.) amending the Class Range Table for Represented Management and Confidential Non-Sworn Classes to establish a salary range for Housing and Urban Development Manager at Range 441

Removed from Consent
18. Consider salary adjustments for City Clerk & Auditor, City Attorney and Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005.

· Resolution approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005 recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2004-556 (Dunbar/Marsh; majority O'Bryant no) approving salary increases of 13% for the City Clerk & Auditor, 5% for the City Attorney and additional salary and benefits for the Acting City Manager, with an estimated cost of $22,038 for the remainder of FY 2004/2005

CONSENT
19. Consider approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers; and Consider amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program.
· Resolution approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers recommended.
· Resolution amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program recommended.
Police; Judy Tognolini, 572-9523, tognolinij@modestopd.com

ACTION: Resolution 2004-557 (Jackman/Keating; unan.) approving the acceptance and authorizing the Acting City Manager to execute the necessary grant documents of a three-year COPS in Schools Grant for two new School Resource Officers

ACTION: Resolution 2004-558 (Jackman/Keating; unan.) amending the fiscal year 2004/2005 budget, estimating revenues and appropriating funds for the program

CONSENT
20. Consider the Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration.
· Resolution approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration recommended.
Public Works; Michael Musca, 577-5319, mmusca@modestogov.com

ACTION: Resolution 2004-559 (Jackman/Keating; unan.) approving the revised Airport Capital Improvement Plan (ACIP) to the Federal Aviation Administration

CONSENT
21. Consider the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement.
· Resolution approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-560 (Jackman/Keating; unan.) approving the award of a professional services agreement to Ross G. Stephenson Associates Inc., for $92,385 to complete Design & Survey Services for the Roselle & Floyd Intersection Widening project, and authorizing the Community Facilities District Administrator to execute the agreement

CONSENT
22. Consider approving and authorizing submission of the Local Transportation Fund

(LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG).
· Resolution approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG) recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2004-561 (Jackman/Keating; unan.) approving and authorizing submission of the Local Transportation Fund (LTF) claim for fiscal year 2004-2005 ($2,537,827), the fiscal year 2003-2004 supplemental ($657,729), and the fiscal year 2003-2004 LTF carryover claims ($2,846.623), for non-transit purposes only, to the Stanislaus County of Governments (StanCOG)

CONSENT
23. Consider accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Modesto Tully Investors L.P., a California limited partnership, by Modesto Tully ventures, LLC, a California limited partnership company.
· Resolution accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-562 (Jackman/Keating; unan.) accepting the improvements for the Covington Pointe subdivision in the Pelandale-Snyder Specific Plan area, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

24. Consider an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.
· Resolution approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005 recommended.
Public Works, Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: Resolution 2004-563 (Marsh/Jackman; unan.) approving an agreement with Sears, Roebuck & Company, owner of Orchard Supply Hardware (OSH), for use of 50 parking spaces for park and ride purposes at OSH's Sisk Road store at a cost of $750 per quarter year ($3,000 per year), to be funded with Local Transportation Fund monies, retroactive to July 2003, with a termination date of September 30, 2005.

HEARINGS

25. Hearing to consider approving the allocation of HOME funds in the amount of $1,030,791 to the Housing Authority of the County of Stanislaus for the development of a multi-family housing project in Village One. This project will provide 60 new units for low-income individuals and families.
· Resolution allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds recommended.
· Resolution amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2004-564 (Jackman/Hawn; unan.) allocating $1,030,791 from Fiscal Year 2004-2005 HOME funds to the Housing Authority of the County of Stanislaus for the development of the Village One Multi-family housing project, authorizing the Acting City Manager to execute the necessary documents, and directing staff send a letter of intent for the CHDO set-aside and CHDO operating funds.

ACTION: Resolution 2004-565 (Jackman/Hawn; unan.) amending the Fiscal Year 2004-2005 operating budget to transfer necessary funds to appropriate accounts

26. Hearing to consider introducing a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.
· Resolution approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course recommended.
Parks, Recreation & Neighborhoods; James Niskanen, 577-5351, jniskanen@modestogov.com

ACTION: Resolution 2004-566 (Jackman/O'Bryant; unan.) approving the introduction of a green fee rate for youths that have graduated from The First Tee program at Modesto Municipal Gold Course, Dryden Park Golf Course and Creekside Golf Course.

This item was continued from October 12, 2004, and is being requested to continue to November 9, 2004
27. Hearing to consider the spending plan for the 2004 Supplemental Law Enforcement Services Fund.
· Resolution approving the spending plan for the 2004 Supplemental Law Enforcement Services Fund recommended.

ACTION: By Motion (Hawn/Dunbar; unan.) this item was continued to November 9, 2004

This item was continued from October 12, 2004
28. Hearing to consider the spending plan for the 2004 Local Law Enforcement Block Grant.
· Resolution approving the spending plan for the Local Law Enforcement Block Grant recommended.
· Resolution amending the budget recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2004-567 (Dunbar/Keating; unan.) approving the spending plan for the Local Law Enforcement Block Grant

ACTION: Resolution 2004-568 (Dunbar/Keating; unan.) amending the budget.

29. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4; and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-569 (Jackman/Dunbar; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #4)

ACTION: Resolution 2004-570 (Jackman/Dunbar; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1

Recess 7:15
Reconvene 7:25

30. Hearing to consider the application of Terry L. Mundy for an amendment to a portion of Planned Development Zone, P-D(346) for office and storage building addition and additional off-street parking at 2630 West Rumble Road.
· Motion introducing an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)" recommended.
· Resolution amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)" recommended.
· Resolution finding that the following project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy) recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (Marsh/Jackman; unan) **introduced Ordinance No. 3358-C.S.** an ordinance amending Section 2 of Ordinance No. 2982-C.S. entitled "An Ordinance Amending Section 12-3-8 and 13-3-8 of the Zoning Map to Rezone From Low Density Residential Zone, R-1 to Planned Development Zone, P-D(346), as an Addition to Planned Development Zone P-D(346), Property Located on the South Side of West Rumble Road East of Hahn Drive. (Terry Mundy)"

ACTION: Resolution 2004-571 (Marsh/Jackman; unan) amending Sections 1 and 2 of Resolution 96-164 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(346), as an Addition to Planned Development P-D(346). (Terry Mundy)"

ACTION: Resolution 2004-572 (Marsh/Jackman; unan) finding that the following

project is within the Scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending the south portion of Planned Development Zone P-D(346), property located at 2630 West Rumble Road (Terry L. Mundy).

31. Hearing to consider the application of Ted Brandvold, Architect on behalf of James Champion for an amendment to Section 19-3-9 of the Zoning Map to rezone R-1 to P-D(87) as an addition to P-D(87) as an addition to P-D(87) and to amend P-D(87) to allow an additional 12 apartment units on the west side of Tully Road south of Pearl Street.
· Motion introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street recommended.
· Resolution amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)" recommended.
· Resolution finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: By Motion (O'Bryant/Hawn; unan.) **introduced Ordinance No. 3359-C.S.** introducing an ordinance amending sections 19-3-9 of the zoning map to rezone from Low Density Residential Zone, R-1, to Planned Development Zone, P-D(87), property located on the West side of Tully Road, South of Pearl Street

ACTION: Resolution 2004-573 (O'Bryant/Hawn; unan.) amending Sections 1 and 2 of Resolution No 71-348, entitled, "A Resolution approving a Development Plan for Planned Development Zone, P-D(87)".

ACTION: Resolution 2004-574 (O'Bryant/Hawn; unan.) finding the Rezone and P-D(87) amendment to be within the scope of the Modesto Urban Area General Plan General Plan Master EIR

32. Hearing to consider the appeal of Karen Burdick to a denial by the Board of Zoning Adjustment of a variance to retain a fence encroaching into the 15-foot setbacks from two adjoining streets, property located at 1201 Ojai Lane.
· Resolution denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment recommended.
Community & Economic Development; Bob Cannell, 577-5274, bcannell@modestogov.com

ACTION: Resolution 2004-575 (Dunbar/Keating; unan.) denying the appeal and upholding the Denial of Variance by the Board of Zoning Adjustment.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:15 p.m.

The following Closed Session was heard prior to the Council meeting.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: City of Modesto v. Viacom Outdoor, Inc., et al.
Stanislaus County Superior Court No. 329869

Council Backup 12/7/04

#25

$145.63

V1 & V1#2

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am the printer And Principal clerk of the publisher **of THE MODESTO BEE**, printed and Published in the **City of MODESTO**, County Of **STANISLAUS**, State of California, daily, For which said newspaper has been adjudged a Newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

NOVEMBER 11, 2004

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

NOVEMBER 11, 2004

Cesthera Pinero

Signature

CITY OF MODESTO
NOTICE OF PUBLIC HEARING

ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.2004T (VILLAGE ONE#2),AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.5

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on October 26, 2004, adopt its *Resolution No.2004545 (the "Resolution")* wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004T (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of one parcel identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No.077009055.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2004-545. The time and place for the hearing is Tuesday, December 7, 2004 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of one half or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed *Territory, file written protests against the proposed* annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2004545. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.
Dated: October 26, 2004
Jean Zohr
City Clerk
NOVEMBER 11, 2004

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 5 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto as Annexation No. 5.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

Nov. 12, 2004
Date of Execution

Modesto, California
Place of Execution

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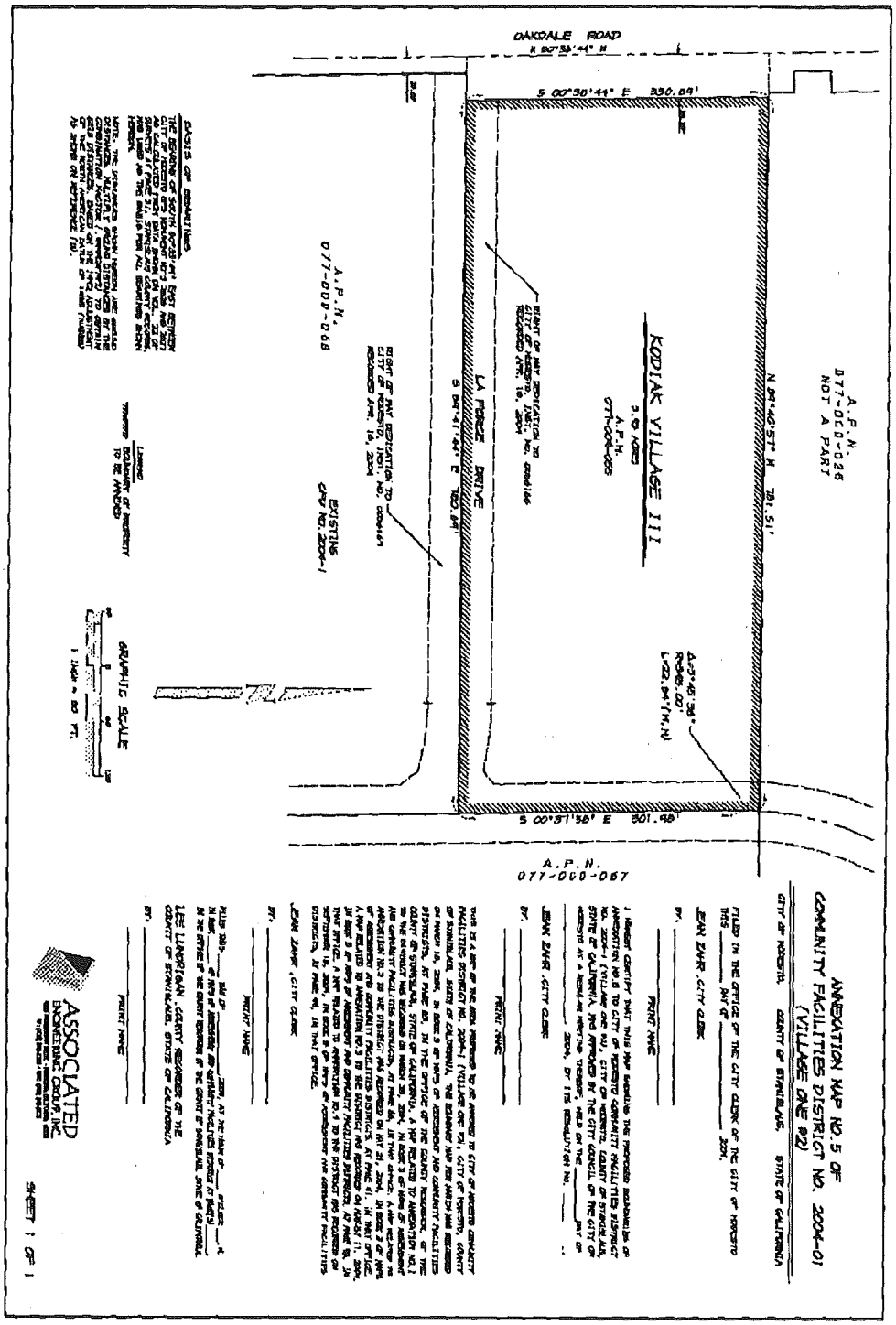
Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 5

Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
077-009-055	Chris and Pauline Gianulias	3220 Province Court Modesto, CA 95355

EXHIBIT A

ANNEXATION NO. 5 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



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CERTIFICATE OF REGISTRAR OF VOTERS
OF STANISLAUS COUNTY

I, Lee Lundrigan, of the Office of the Registrar of Voters of Stanislaus County, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 5 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On November 22, 2004, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are NO persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF
STANISLAUS COUNTY

By: _____
Lee Lundrigan, Stanislaus County
Clerk Recorder & Registrar of Voters

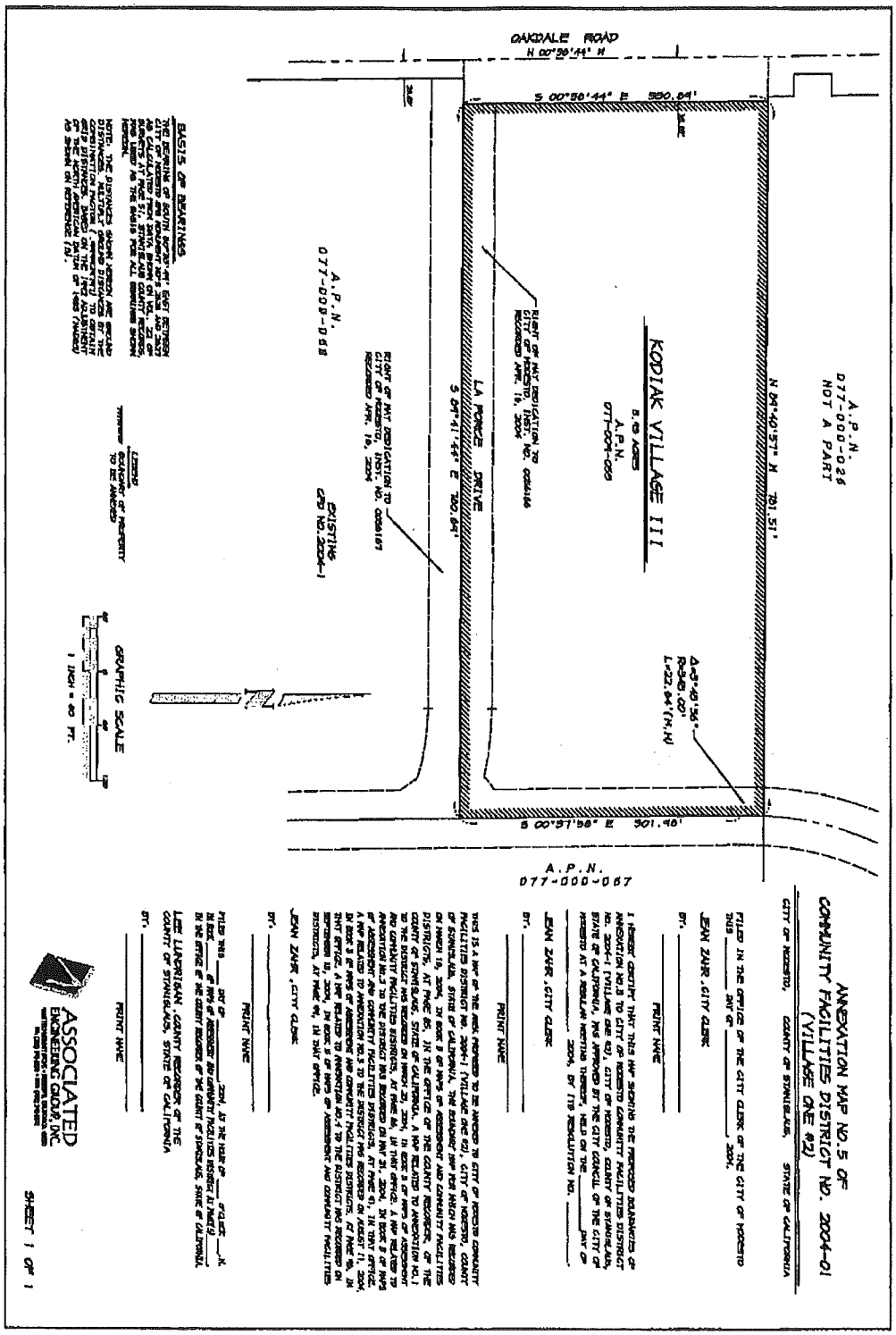
November 22, 2004
Date of Execution

Modesto, California
Place of Execution

SFI 1402792v2 47922/29

EXHIBIT A

ANNEXATION NO. 5 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



Gianulias
A.P. No. 077-009-055

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 5

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 077-009-055 (the "Property") being land proposed to be annexed, as part of Annexation No. 5, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-545 (the "Resolution of Intention to Annex"), adopted on October 26, 2004. The land proposed to be annexed to the District as Annexation No. 5 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are __ registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: _____
Chris and Pauline Gianulias
_____.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____
_____
_____; the name and address of the Trustee thereunder is: _____
_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate _____ as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: _____
_____.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: Oct 31, 2004

LANDOWNERS: Chris and Pauline Gianulias

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____
Chris Gianulias

By: _____
Pauline Gianulias

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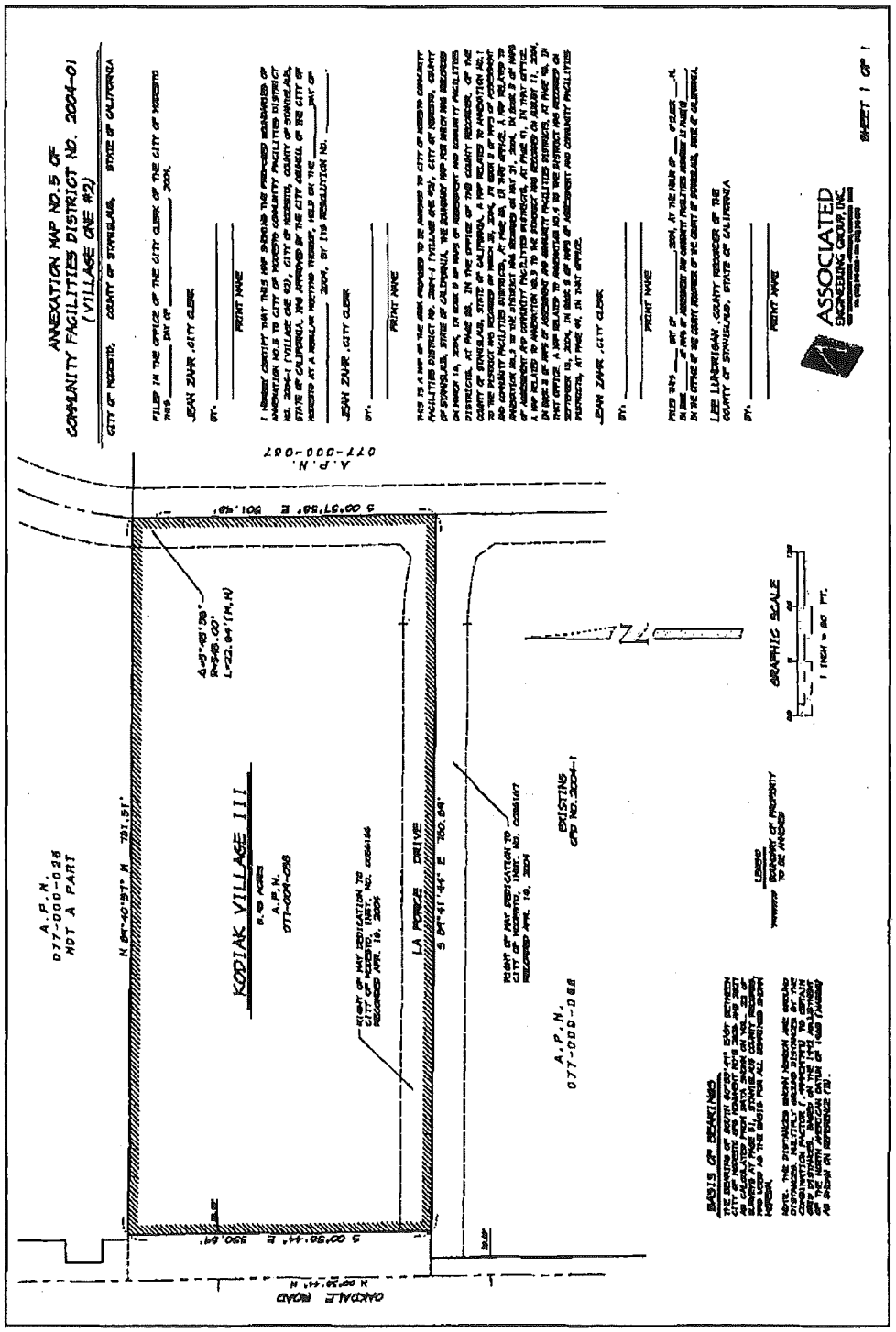
EXHIBIT A

ANNEXATION NO. 5 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



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Pacific Pride Communities
A.P. No. 077-009-055

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 5

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 077-009-055 (the "Property") being land proposed to be annexed, as part of Annexation No. 5, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2004-545 (the "Resolution of Intention to Annex"), adopted on October 26, 2004. The land proposed to be annexed to the District as Annexation No. 5 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: PPC Tuolumne Grove 2 LLC.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]:**

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated November 8, 2004, and recorded on 11/16/04, Doc No. 2004-188833 of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: First Bank, a Missouri Corporation doing business as First Bank & Trust, 1625 Douglas Blvd, Second Floor, Roseville, CA 95661; the name and address of the Trustee thereunder is: First Bank DBA First Bank & Trust, 1625 Douglas Blvd, Second Floor, Roseville, CA 95661.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Bernarr Heyne as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 5761 Stoddard Road Suite 301 Modesto 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 11-23, 2004

LANDOWERS: PPC Tuolumne Grove 2 LLC

By: Randal B. Hurlburt
Randal B. Hurlburt, President

By: B. Heyne
Bernarr W. Heyne, Secretary

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2004-545 (the "Resolution") to annex certain territory (Annexation No. 5) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: November 23, 2004

First Bank, a Missouri corporation
DBA First Bank & Trust
_____, a California
_____ ("Lender")

By: _____
Name: Gary M. Sanders
Title: Executive Vice President

By: _____
Name: Allan Wooten
Title: Vice President

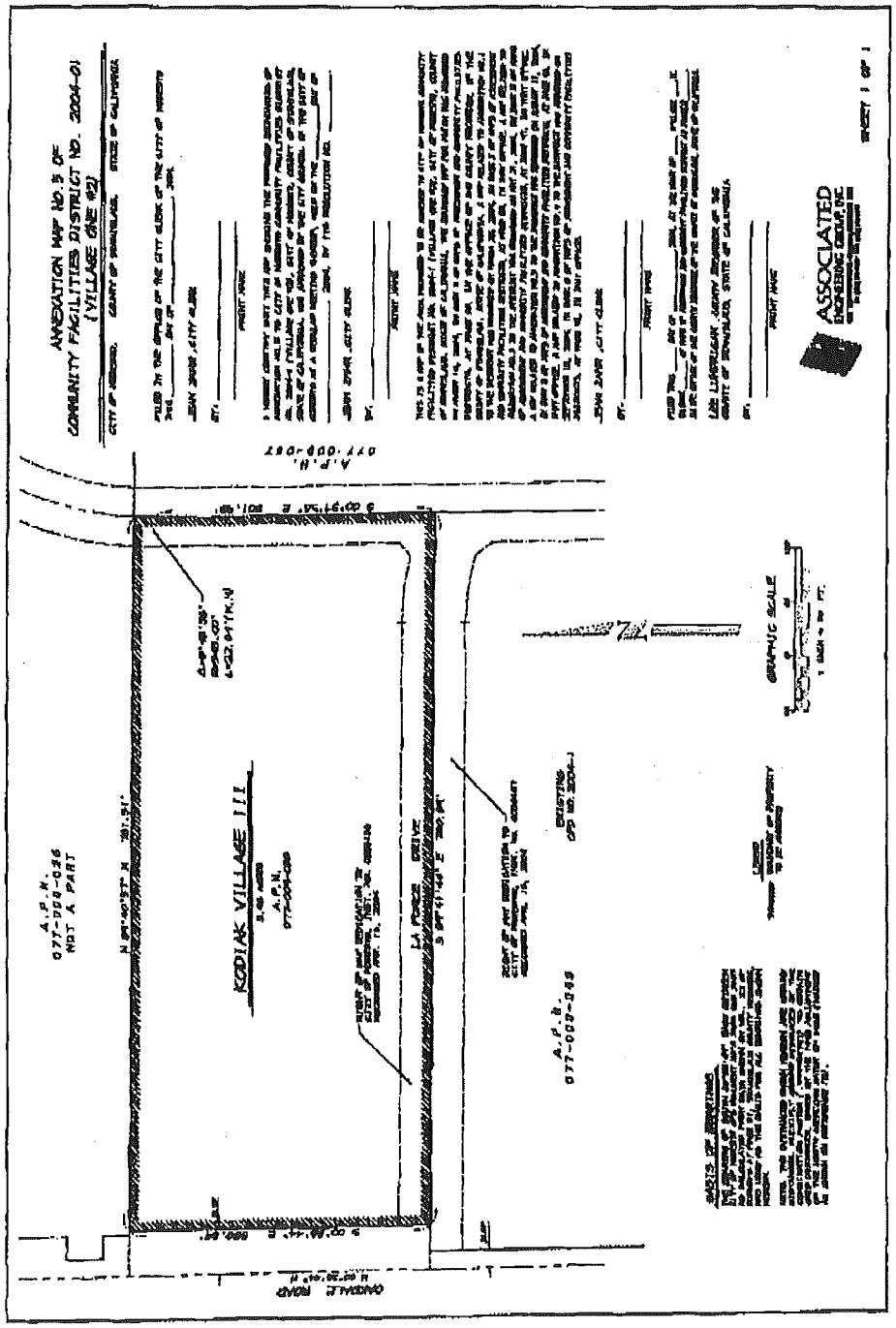
Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SPI 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 5 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



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CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2004-649, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 5)," adopted by the City Council of the City of Modesto on December 14, 2004, I have been designated as the election official to conduct the special election described in that Resolution.

3. On 12/7, 2004, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 5. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: December 7, 2004

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
PPC Tuolumne Grove 2 LLC, a California Limited Liability Company	Bernie Heyne Pacific Pride Communities 5761 Stoddard Road Suite 301 Modesto, CA 95356	1	6

CITY of MODESTO

December 7, 2004

Infrastructure Financing Program

- *Capital Facilities Fees*
- *Community Facilities Districts*
- *Infrastructure Financing Plans*

Office of the City Manager
1010 Tenth Street
Suite 6100
P.O. Box 642
Modesto, CA 95353
209/577-5211
209/577-5128 Fax

Hearing and Speech Impaired Only
TDD 209/526-9211

Dear Voter:

The City Council of the City of Modesto has called a Special Tax Election related to Annexation No. 5 to the City's Community Facilities District No. 2004-1 (Village One #2). This is an all-mailed ballot landowner election, and the ballots are being personally delivered or mailed to the persons or entities listed on the Stanislaus County Assessor's latest equalized assessment roll, as updated by information known to the City of Modesto and the County of Stanislaus, regarding ownership.

YOU WILL RECEIVE ONE BALLOT FOR EACH GROUP OF PARCELS SHOWN ON THE ASSESSOR'S ROLL UNDER AN IDENTICAL NAME AND ADDRESS. The ballots are being distributed based on the names and addresses designated on the assessment roll or as otherwise updated. Any parcels with a common name and address were combined for voting purposes. Each qualified voter has been issued one ballot which entitles that voter to vote his or her total acreage of land. Each ballot is allotted a specified number of votes depending on acreage. Each acre or portion thereof is worth one vote.

Please note that your ballot must be received by the City Clerk of the City of Modesto not later than noon, December 14, 2004. A POSTMARK DATE IS NOT ACCEPTABLE. Please use the enclosed return envelope for mailing your ballot, Authorization statement and Identification Envelope, or your ballot and Authorization statement may be personally delivered in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

If you have any questions, please contact me at (209) 577-5398.

Very truly yours,

Jean Zahr

Jean Zahr
City Clerk

Enclosures: Ballot Pamphlet
Official Ballot
Authorization
Identification Envelope
Return Envelope

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 5

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

December 14, 2004

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 5, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on December 14, 2004, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

SPECIAL TAX ELECTION

December 14, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on October 26, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

SPECIAL TAX ELECTION

December 14, 2004

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on October 26, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, _____, certify as follows:

(1) I am the Authorized Representative of PPC Tuolumne Grove 2 LLC, a California Limited Liability Company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 5 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-009-055 (the "Parcel"), which comprises approximately 5.95 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2004 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-679

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 5)

WHEREAS, this Council did, on October 26, 2004, adopt its Resolution No. 2004-545 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon;

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk;

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on October 28, 2004, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 2;

WHEREAS, at the time and date set for the hearing (December 7, 2004 and duly continued to December 14, 2004) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed

annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex;

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon;

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex;

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory;

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be

applicable to such election. The ballot measure shall be substantially in the form attached hereto as **Exhibit A.**

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 14th day of December 2004. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of December 2004, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 1/7/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

SAMPLE

OFFICIAL BALLOT

BALLOT NO. ___

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

SPECIAL TAX ELECTION

December 14, 2004

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST ___
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on October 26, 2004, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF __ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

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City Council Calendar

City Council's Home Page

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, December 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Ross Briles, Sherwood Bible Church

City Clerk's Announcements: Items 12 & 16 removed from the Agenda
Items 8, 11, 13, 14, 23, & 28 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Desirree Abshire, Great Valley Center Fellows Program, by James E. Niskanen, Director of the Parks, Recreation and Neighborhoods Department.

ACTION: Introduction made by Jim Niskanen, Parks, Recreation & Neighborhoods

2. Introduction of Jeff Barnes, the new Traffic Engineer for the City of Modesto, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

3. Introduction of Lee Dumas, Senior Civil Engineer, the City's project manager for the Kaiser Project, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

MISCELLANEOUS

Appointments

4. Consider appointing Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009.
· Resolution approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-654 (Dunbar/Jackman; unan.) approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 28

ACTION Consent Items 5- 8, 10, 15, 17-22, 24-27: Jackman/Dunbar; unan.

ACTION Item 8: Jackman/Keating; unan.

ACTION Item 11: Dunbar/Jackman; unan.

ACTION Item 13: Marsh/Dunbar; majority, Keating no

ACTION Item 14: Hawn/Jackman; majority Keating and O'Bryant no

ACTION Item 23: Jackman/Hawn; unan.

ACTION Item 28: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the regular City Council meeting of December 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar, unan.) approved the minutes of December 7, 2004.

CONSENT
6. Consider final adoption of:

a. Ordinance No. 3371-C.S. - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3371-C.S.** - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.

b. Ordinance No. 3372-C.S. - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3372-C.S.** - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)

c. Ordinance No. 3373-C.S. - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3373-C.S.** - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)

d. Ordinance No. 3374-C.S. - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3374-C.S.** - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)

e. Ordinance No. 3375-C.S. - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3375-C.S.** - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)

CONSENT
7. Consider accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004.
· Resolution accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-655 (Jackman/Dunbar; una.) accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December

14, 2004.

Removed from Consent
8. Consider the Monthly Budget Adjustment Report.
· Resolution approving Fiscal Year 2004 budget adjustments for December 2004 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2004-656 (Jackman/Keating; unan.) approving Fiscal Year 2004 budget adjustments for December 2004.

CONSENT
9. Consider extending the City's support for the Public Access Channel, at a cost of $8,000, through April 30, 2005.
· Resolution approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000 recommended.
Information Technology; Lori Palacio, 571-5598, lpalacio@modestogov.com

ACTION: Resolution 2004-657 (Jackman/Dunbar; unan.) approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000

CONSENT
10. Consider a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.
· Resolution approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-658 (Jackman/Dunbar; unan) approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.

Removed from Consent
11. Consider the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.
· Resolution accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-659 (Dunbar/Jackman; unan.) accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.

Removed from the Agenda
12. Consider a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Removed from the agenda.

Removed from Consent
13. Consider funding for additional Police service in downtown Modesto.
· Resolution amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Resolution 2004-660 (Marsh/Dunbar; majority, Keating no) amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds.

Removed from Consent
14. Consider amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director; Consider amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.
· Resolution amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director recommended.
· Resolution amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-661 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director.

ACTION: Resolution 2004-662 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.

CONSENT
15. Consider approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 from the State Board of Corrections to fund the program, and authorizing the Acting City Manager to execute the necessary documents; and Consider amending the 2004/2005 budget to accept the revenue and expend the funds.
· Resolution approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to fund the City's match recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Resolution 2004-663 (Jackman/Dunbar; unan.) approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-664 (Jackman/Dunbar; unan.) amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to

fund the City's match.

Removed from the Agenda
16. Consider a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Removed from the agenda

CONSENT
17. Consider the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction). Estimated cost is approximately $750 per intersection for a total of $3,000. Funds are budgeted.
· Resolution approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction) recommended.
Public Works; Jeff Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2004-665 (Jackman/Dunbar; unan.) approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction).

CONSENT
18. Consider authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.
· Resolution authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities recommended.
Public Works, Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-666 (Jackman/Dunbar; unan.) authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.

CONSENT
19. Consider accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract. Total project cost is $326,803.
· Resolution accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract recommended.

Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-667 (Jackman/Dunbar; unan.) accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract.

CONSENT
20. Consider accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract. Total project cost is $872,240.27.
· Resolution accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract recommended.
Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-668 (Jackman/Dunbar; unan.) accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract.

CONSENT
21. Consider authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.
· Resolution authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59 recommended.
Public Works; Beverly McCullough, 577-5495, bmccullough@modestogov.com

ACTION: Resolution 2004-669 (Jackman/Dunbar; unan.) authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.

CONSENT
22. Consider rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.
§ Resolution rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-670 (Jackman/Dunbar; unan.) rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.

Removed from Consent
23. Consider awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the necessary documents.
§ Resolution awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-671 (Jackman/Hawn; unan.) awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.

CONSENT
24. Consider accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents. Total estimated cost of the project is $104,337.12.
· Resolution accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-672 (Jackman/Dunbar; unan.) accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
25. Consider accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract. Total estimated cost including construction contingency and administration, and engineering design is $242,916.
· Resolution accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-673 (Jackman/Dunbar; unan.) accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract.

CONSENT
26. Consider approval of final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Mesilla Valley Development LLC.
· Resolution approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal

Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-674 (Jackman/Dunbar; unan.) approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
27. Consider limited revisions to the 2001 City of Modesto Standard Specifications.
· Resolution approving limited revisions to the 2001 City of Modesto Standard Specifications recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-675 (Jackman/Dunbar; unan.) approving limited revisions to the 2001 City of Modesto Standard Specifications.

Removed from Consent
28. Consider approving Amendment No. 1 to the agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents; and Consider authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.
· Resolution approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents recommended
· Resolution authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2004-676 (Jackman/Hawn; unan.) approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-677 (Jackman/Hawn; unan.) authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

29. Hearing to consider the Annual Capital Facility Fees (CFF) Program Review; and Consider rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

· Motion acknowledging the receipt of the Annual Capital Facility Fees Program Review recommended.
· Resolution rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Keating; unan.) acknowledged receipt of the Annual Capital Facility Fees Program Review.

ACTION: Resolution 2004-678 (Dunbar/Keating; unan.) rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

The following item was continued from December 7, 2004
30. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-679 (Hawn/Keating; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5).

ACTION: Resolution 2004-680 (Hawn/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

31. Hearing to consider clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2); Consider Amendment #2 to the Village One Facilities Master Plan; and Consider creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.
· Resolution clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution approving Amendment #2 to the Village One Facilities Master Plan recommended.
· Resolution creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-681 (Hawn/Jackman; unan.) clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2).

ACTION: Resolution 2004-682 (Hawn/Jackman; unan.) approving Amendment #2 to the Village One Facilities Master Plan.

ACTION: Resolution 2004-683 (Hawn/Jackman; unan.) creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.

32. Hearing to consider a prezone to P-PD (Planned Development) for a 20-acre parcel designated Industrial and a request to file an application with the Stanislaus Local Agency Formation Commission (LAFCO) to annex the subject property to the

City of Modesto, the Modesto Sewer District No. 1, and detach from the Industrial Fire Protection District, and approval of an Initial Study and Finding of Conformance for the proposed project - submitted by Eagle Valley Investments Inc.
· Motion introducing an ordinance amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District recommended.
· Resolution finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041) recommended.
Community & Economic Development; Cindy van Empel, 577-5280, cvanempel@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introducing Ordinance No. 3376-C.S.** amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road

ACTION: Resolution 2004-684 (Jackman/Dunbar; unan.) approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road.

ACTION: Resolution 2004-685 (Jackman/Dunbar; unan.) a Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District.

ACTION: Resolution 2004-686 (Jackman/Dunbar; unan.) finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041).

33. Hearing to consider an amendment to the Annual Action Plan for 2004-2005, reallocating Community Development Block Grant (CDBG) funds.
· Resolution approving the proposed amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-687 (O'Bryant/Hawn; unan.) approving the proposed

amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-688 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-689 (O'Bryant/Hawn; unan.) amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-690 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year.

NEW BUSINESS

34. Consider authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000 recommended.
· Resolution directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement recommended.
Parks, Recreation & Neighborhoods; Duane Frederick, 342-2275, dfrederick@modestogov.com

ACTION: Resolution 2004-691 (O'Bryant/Dunbar; unan.) authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000.

ACTION: Resolution 2004-692 (O'Bryant/Dunbar; unan.) directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:55 p.m.

All closed sessions heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR:

(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Four Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of cases: Steve Duden v. City of Modesto Police Department
Worker's Compensation Appeals Board Case Nos. STK 169317, STK 169318, STK 172988 and STK 180974

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

Facts and Circumstances: One former City employee has alleged that the City unlawfully discriminated and/or retaliated against her.

RECEIVED
MODESTO CITY CLERK
04 DEC 10 PM 4:10

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 5

SPECIAL TAX ELECTION

December 14, 2004

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If *you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the* City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on October 26, 2004, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

SF1 1402785v3 47922/29

AUTHORIZATION
(BALLOT NO. 1)

I, BERNARR W. HEYNE, certify as follows:

(1) I am the Authorized Representative of PPC Tuolumne Grove 2 LLC, a California Limited Liability Company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 5 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-009-055 (the "Parcel"), which comprises approximately 5.95 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 12-8 —, 2004 at 1526 VELLA WAY MODESTO, CA, 95357.

Signature of Authorized Representative (Voter)

5761 STODDARD RD #301
MODESTO, CA 95357

Address of Authorized Representative (Voter)

SF1 1402785v3 47922/29

MODESTO CITY COUNCIL
RESOLUTION NO. 2004-680

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE DECEMBER 14, 2004, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 5)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" adopted on October 26, 2004, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act");

WHEREAS, the owner of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2004-679, adopted on December 14, 2004, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for December 14, 2004, relative to the foregoing;

WHEREAS, on December 14, 2004, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2004-545 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of

Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of December 2004, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 1/7/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2004-679, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 5) adopted on December 14, 2004, by the City Council of the City of Modesto, I did conduct the Special Tax Election on December 14, 2004, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2004-545, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 5)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on October 26, 2004, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 6 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: Dec 12, 2004

City Clerk's Office

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, December 14, 2004, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Ross Briles, Sherwood Bible Church

City Clerk's Announcements: Items 12 & 16 removed from the Agenda
Items 8, 11, 13, 14, 23, & 28 removed from Consent

Declaration of Conflicts of Interest - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of Desirree Abshire, Great Valley Center Fellows Program, by James E. Niskanen, Director of the Parks, Recreation and Neighborhoods Department.

ACTION: Introduction made by Jim Niskanen, Parks, Recreation & Neighborhoods

2. Introduction of Jeff Barnes, the new Traffic Engineer for the City of Modesto, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

3. Introduction of Lee Dumas, Senior Civil Engineer, the City's project manager for the Kaiser Project, by Peter Cowles, Public Works Director.

ACTION: Introduction made by Peter Cowles, Public Works Director

MISCELLANEOUS

Appointments

4. Consider appointing Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009.
· Resolution approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-654 (Dunbar/Jackman; unan.) approving the appointment of Craig Gilmore to the Community Qualities Forum with a term expiration date of January 1, 2009

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 5 through 28

ACTION Consent Items 5- 8, 10, 15, 17-22, 24-27: Jackman/Dunbar; unan.

ACTION Item 8: Jackman/Keating; unan.

ACTION Item 11: Dunbar/Jackman; unan.

ACTION Item 13: Marsh/Dunbar; majority, Keating no

ACTION Item 14: Hawn/Jackman; majority Keating and O'Bryant no

ACTION Item 23: Jackman/Hawn; unan.

ACTION Item 28: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
5. Consider approval of the minutes of the regular City Council meeting of December 7, 2004.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar, unan.) approved the minutes of December 7, 2004.

CONSENT
6. Consider final adoption of:

a. Ordinance No. 3371-C.S. - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3371-C.S.** - an ordinance amending Section 3-2.1401.1 of Article 14 of Chapter 2 of Title 3 of the Modesto Municipal Code relating to Speed Limits.

b. Ordinance No. 3372-C.S. - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3372-C.S.** - an ordinance amending Section 23-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(569), property located on the south side of Scenic Drive, east of Scenic Bend. (James and Susan Coleman)

c. Ordinance No. 3373-C.S. - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3373-C.S.** - an ordinance adopting a Precise Plan for Area No. 23 of the Village One Specific Plan, relating to property located at the west side of Claus Road and north of Floyd Avenue. (Monterey Development Group)

d. Ordinance No. 3374-C.S. - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)
· Motion approving final adoption recommended.

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3374-C.S.** - an ordinance rezoning Village One property from Specific Plan-Holding Zone, SP-H, to Specific Plan-Overlay Zone, SP-O, for property located at the west side of Claus Road and north of Floyd Avenue. (Precise Plan for Area No. 23 - Monterey Development Group)

e. Ordinance No. 3375-C.S. - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)
· Motion approving final adoption recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approved the **final adoption of Ordinance No. 3375-C.S.** - an ordinance amending the Precise Plan for Area No. 24 of the Village One Specific Plan, to amend the Land Uses from Commercial, Village Residential and Multi-Family Residential to Medium Density Residential and Village Residential, Property located on the west side of Claus Road and south of Floyd Avenue. (Monterey Development Group)

CONSENT
7. Consider accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004.
· Resolution accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December 14, 2004 recommended.
City Manager; Esther Puckett, 577-5463, epuckett@modestogov.com

ACTION: Resolution 2004-655 (Jackman/Dunbar; una.) accepting with regret the resignation of Peter Gartner from the Community Qualities Forum, effective December

14, 2004.

Removed from Consent
8. Consider the Monthly Budget Adjustment Report.
· Resolution approving Fiscal Year 2004 budget adjustments for December 2004 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2004-656 (Jackman/Keating; unan.) approving Fiscal Year 2004 budget adjustments for December 2004.

CONSENT
9. Consider extending the City's support for the Public Access Channel, at a cost of $8,000, through April 30, 2005.
· Resolution approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000 recommended.
Information Technology; Lori Palacio, 571-5598, lpalacio@modestogov.com

ACTION: Resolution 2004-657 (Jackman/Dunbar; unan.) approving extension of the City of Modesto' support of the Public Access Channel through April 30, 2005 at a cost of $8,000

CONSENT
10. Consider a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.
· Resolution approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005 recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: Resolution 2004-658 (Jackman/Dunbar; unan) approving a request from the Valley PT Cruiser Club for use of Graceada Park and for amplified music at Mancini Bowl for their annual event on June 3, 2005.

Removed from Consent
11. Consider the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.
· Resolution accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2004-659 (Dunbar/Jackman; unan.) accepting the Modesto Convention & Visitors Bureau Annual Report and Finance Report for 2003/2004, and the Operating Budget for FY 2004/2005.

Removed from the Agenda
12. Consider a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease agreement with Alan Alcock for lease of 4205 Gomes Road for $1435 per month, and authorizing the Acting City Manager to execute the necessary documents recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Removed from the agenda.

Removed from Consent
13. Consider funding for additional Police service in downtown Modesto.
· Resolution amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds recommended.
Parks, Recreation & Neighborhoods; Ross Schiveley, 577-5438, rshiveley@modestogov.com

ACTION: Resolution 2004-660 (Marsh/Dunbar; majority, Keating no) amending the Fiscal Year 2004-2005 operating budget to estimate $40,000 in additional parking revenues and appropriate said funds.

Removed from Consent
14. Consider amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director; Consider amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.
· Resolution amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director recommended.
· Resolution amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2004-661 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Position Classification Plan to establish the classification of Deputy Director of Personnel and to delete the classification of Assistant Personnel Director.

ACTION: Resolution 2004-662 (Hawn/Jackman; majority Keating and O'Bryant no) amending the Class Range Table for Unrepresented Management and Confidential Non-Sworn Classes to establish the salary range for Deputy Director of Personnel at range 2452, and to delete the classification of Assistant Personnel Director from the Class Range Table.

CONSENT
15. Consider approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 from the State Board of Corrections to fund the program, and authorizing the Acting City Manager to execute the necessary documents; and Consider amending the 2004/2005 budget to accept the revenue and expend the funds.
· Resolution approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to fund the City's match recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Resolution 2004-663 (Jackman/Dunbar; unan.) approving the Modesto Juvenile Impact Program, accepting a grant contract in the amount of $35,043 to fund the Program, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-664 (Jackman/Dunbar; unan.) amending the 2004/2005 budget realizing grant revenue and expending the funds and appropriating $3,894 to

fund the City's match.

Removed from the Agenda
16. Consider a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents.
· Resolution approving a lease with the Arthur M. McElroy Marital Trust for the Modesto Police Department Evidence and Property Facility and authorizing the Acting City Manager to execute the necessary documents recommended.
Police; Bill Gentry, 572-9517, gentryw@modestopd.com

ACTION: Removed from the agenda

CONSENT
17. Consider the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction). Estimated cost is approximately $750 per intersection for a total of $3,000. Funds are budgeted.
· Resolution approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction) recommended.
Public Works; Jeff Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2004-665 (Jackman/Dunbar; unan.) approving the removal of the protected/permissive left-turn operation at the following signalized intersections: Oakdale Road and Lancey Drive (north/south direction); Coffee Road and Floyd Avenue (north/south direction); Prescott Road and Rumble Road (north/south direction); Orangeburg Avenue and Coffee Road (north/south direction).

CONSENT
18. Consider authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.
· Resolution authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities recommended.
Public Works, Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2004-666 (Jackman/Dunbar; unan.) authorizing the Acting City Manager to make a payment to SBC in the amount of $75,783.72 in damages resulting from City Water crews inadvertently striking underground facilities.

CONSENT
19. Consider accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract. Total project cost is $326,803.
· Resolution accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract recommended.

Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-667 (Jackman/Dunbar; unan.) accepting the work by Tim Paxin's Pacific Excavation Inc. for the project entitled "Construction of Intersection Control at the Following Intersections: Oakdale Road at Manor Oak Drive and Coffee Road at Sylvan Meadows Drive" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $276,869 per the contract.

CONSENT
20. Consider accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract. Total project cost is $872,240.27.
· Resolution accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract recommended.
Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2004-668 (Jackman/Dunbar; unan.) accepting the work by George Reed Inc. for the project entitled "2002-2003 Pavement Maintenance Program - Scenic Drive Overlay - Rose Avenue to Sonoma Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $683,626.35 per the contract.

CONSENT
21. Consider authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.
· Resolution authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59 recommended.
Public Works; Beverly McCullough, 577-5495, bmccullough@modestogov.com

ACTION: Resolution 2004-669 (Jackman/Dunbar; unan.) authorizing the City Manager, Deputy City Manager, or Assistant to the City Manager to apply for and sign all California Integrated Waste Management Board (CIWMB), and the California Department of Conservation (DOC) grant-related documents, accept grant awards, amend the annual budget and rescind Resolutions 2002-58 and 2002-59.

CONSENT
22. Consider rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.
§ Resolution rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-670 (Jackman/Dunbar; unan.) rejecting all bids for the project titled "Rumble Road Sidewalks" and authorizing staff to re-advertise the project at a future date.

Removed from Consent
23. Consider awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the necessary documents.
§ Resolution awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-671 (Jackman/Hawn; unan.) awarding a professional services agreement to West Yost and Associates for $710,200 to complete Preliminary Engineering Services for the City Water System Tier 1 Downstream Improvements to accommodate the Modesto Regional Water Treatment Plant Phase Two Expansion, and authorizing the Acting City Manager to execute the agreement.

CONSENT
24. Consider accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents. Total estimated cost of the project is $104,337.12.
· Resolution accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-672 (Jackman/Dunbar; unan.) accepting the bid and approving an $86,947.60 contract with Richard Townsend Construction Inc., dba RTC, for the project titled "MPD Training Facility Concrete Flatwork," and authorizing the Acting City Manager to execute the necessary documents.

CONSENT
25. Consider accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract. Total estimated cost including construction contingency and administration, and engineering design is $242,916.
· Resolution accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5215, dphillips@modestogov.com

ACTION: Resolution 2004-673 (Jackman/Dunbar; unan.) accepting the bid and approving a $195,900 contract with JVD Inc. for the project titled "Rotary Centennial Junction Infrastructure," and authorizing the Acting City Manager to execute the contract.

CONSENT
26. Consider approval of final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods. Owner: Mesilla Valley Development LLC.
· Resolution approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal

Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-674 (Jackman/Dunbar; unan.) approving the final map of the Mesilla Valley Estates subdivision, accepting the public improvements, authorizing the Acting City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
27. Consider limited revisions to the 2001 City of Modesto Standard Specifications.
· Resolution approving limited revisions to the 2001 City of Modesto Standard Specifications recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2004-675 (Jackman/Dunbar; unan.) approving limited revisions to the 2001 City of Modesto Standard Specifications.

Removed from Consent
28. Consider approving Amendment No. 1 to the agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents; and Consider authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.
· Resolution approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents recommended
· Resolution authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2004-676 (Jackman/Hawn; unan.) approving Amendment No. 1 to the Agreement with Modesto Irrigation District relating to the advance funding of costs related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant, and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-677 (Jackman/Hawn; unan.) authorizing Modesto Irrigation District to execute an amendment to agreement with Jones & Stokes in an amount not to exceed an additional $50,000 for a total agreement amount of $220,000 to provide CEQA services related to the Phase 2 expansion of the Modesto Regional Water Treatment Plant.

COUNCIL COMMENTS & REPORTS

None

HEARINGS

29. Hearing to consider the Annual Capital Facility Fees (CFF) Program Review; and Consider rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

· Motion acknowledging the receipt of the Annual Capital Facility Fees Program Review recommended.
· Resolution rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate recommended.
City Manager; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Keating; unan.) acknowledged receipt of the Annual Capital Facility Fees Program Review.

ACTION: Resolution 2004-678 (Dunbar/Keating; unan.) rescinding Resolution 2003-310 and removing the capped rate for CFF, restoring the fee to its adopted rate.

The following item was continued from December 7, 2004
30. Hearing to consider the calling a special election within the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5); and Consider canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-679 (Hawn/Keating; unan.) calling a special election with the additional territory proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) (Annexation #5).

ACTION: Resolution 2004-680 (Hawn/Keating; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

31. Hearing to consider clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2); Consider Amendment #2 to the Village One Facilities Master Plan; and Consider creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.
· Resolution clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2) recommended.
· Resolution approving Amendment #2 to the Village One Facilities Master Plan recommended.
· Resolution creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2004-681 (Hawn/Jackman; unan.) clarifying the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2004-1 (Village One #2).

ACTION: Resolution 2004-682 (Hawn/Jackman; unan.) approving Amendment #2 to the Village One Facilities Master Plan.

ACTION: Resolution 2004-683 (Hawn/Jackman; unan.) creating Tax Zone #2, and increasing the one-time facilities tax, in Community Facilities District No. 2004-1.

32. Hearing to consider a prezone to P-PD (Planned Development) for a 20-acre parcel designated Industrial and a request to file an application with the Stanislaus Local Agency Formation Commission (LAFCO) to annex the subject property to the

City of Modesto, the Modesto Sewer District No. 1, and detach from the Industrial Fire Protection District, and approval of an Initial Study and Finding of Conformance for the proposed project - submitted by Eagle Valley Investments Inc.
· Motion introducing an ordinance amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road recommended.
· Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District recommended.
· Resolution finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041) recommended.
Community & Economic Development; Cindy van Empel, 577-5280, cvanempel@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introducing Ordinance No. 3376-C.S.** amending Section 9-4-9 of the Zoning Map fo the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and east of Crows Landing Road

ACTION: Resolution 2004-684 (Jackman/Dunbar; unan.) approving a Development Plan for Prezoned Planned Development zone P-PD(570), property located south of Glenn Avenue and east of Crows Landing Road.

ACTION: Resolution 2004-685 (Jackman/Dunbar; unan.) a Resolution of Application to the Stanislaus Local Agency Formation Commission to annex 20 acres of property located south of Glenn Avenue and east of Crows Landing Road to the City of Modesto and Sewer District No. 1, and to detach said property from the Industrial Fire Protection District.

ACTION: Resolution 2004-686 (Jackman/Dunbar; unan.) finding that the prezone to Prezoned Planned Development, P-PD(570), and annexation to the City of Modesto and the Modesto Sewer District No. 1 and detachment from the Industrial Fire Protection District of 20 acres of property located south of Glenn Avenue and east of Crows Landing Road is within the scope of the Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041).

33. Hearing to consider an amendment to the Annual Action Plan for 2004-2005, reallocating Community Development Block Grant (CDBG) funds.
· Resolution approving the proposed amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents recommended.
· Resolution amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment recommended.
· Resolution amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2004-687 (O'Bryant/Hawn; unan.) approving the proposed

amendment to the Department of Housing & Urban Development Annual Action Plan for fiscal year 2004-21005 and authorizing the Acting City Manager to execute the necessary documents.

ACTION: Resolution 2004-688 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-689 (O'Bryant/Hawn; unan.) amending the Capital Improvement budget to reflect approved changes to the Annual Action Plan Amendment.

ACTION: Resolution 2004-690 (O'Bryant/Hawn; unan.) amending the fiscal year 2004-2005 operating budget and the Capital Improvement budget to reflect revenues and appropriations as adopted and carryover amounts from prior year.

NEW BUSINESS

34. Consider authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000 recommended.
· Resolution directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement recommended.
Parks, Recreation & Neighborhoods; Duane Frederick, 342-2275, dfrederick@modestogov.com

ACTION: Resolution 2004-691 (O'Bryant/Dunbar; unan.) authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for Landscape Maintenance Services for all park, right-of-way and public landscaping owned and/or managed by the City of Modesto for a five-year period with an option to renegotiate for an additional five-year period at an estimated annual cost of $1,200,000.

ACTION: Resolution 2004-692 (O'Bryant/Dunbar; unan.) directing staff to negotiate with MCEA and MCMA relating to the potential displacement of full-time employees that might occur as a result of contracting out landscape maintenance services, and to declare an impasse in negotiations if these groups and the City are unable to reach an agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:55 p.m.

All closed sessions heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR:

(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Four Cases (Pursuant to Section 54956.9(a) of the Government Code)

Name of cases: Steve Duden v. City of Modesto Police Department
Worker's Compensation Appeals Board Case Nos. STK 169317, STK 169318, STK 172988 and STK 180974

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

Facts and Circumstances: One former City employee has alleged that the City unlawfully discriminated and/or retaliated against her.

Stanislaus, Coun., Recorder
Lee Lundrigan Co Recorder Office
DOC- 2004-0209466-00
Friday, DEC 17, 2004 14:42:40
Ttl Pd $0.00 Nbr-0001661643
BJM/R2/1-4

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 - 10th Street)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 5)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to the District by the City Council of the City following approval of the levy of the District special taxes (the "Special Taxes") in the Annexed Territory by the qualified voters therein at a special tax election held on December 14, 2004. The rate, method of apportionment and manner of collection of the Special Taxes is set forth in Exhibit A to the Notice of Special Tax Lien. The Special Taxes are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits A, B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 5), the Special Taxes are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real

4

property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 5), and not exempt from the Special Taxes, are as follows:

Assessor's Parcel No.	Owner's Name
077-009-055	PPC Tuolumne Grove 2 LLC, a California Limited Liability Company*

*The names of the previous owners, as shown on the latest secured assessment roll, are Chris and Pauline Gianulias.

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 2, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: December 16, 2004

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

SFI 1402875v3 47922/29

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 12-16-04 before me, Debra A. Gilbert
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debra A. Gilbert [Seal]

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2005

DEBRA A. GILBERT
Commission # 1333766
Notary Public - California
Stanislaus County
My Comm. Expires Dec 11, 2005

SF1 1402875v3 47922/29

Government Code § 27361.7 Perjury statement

(NOTARY ACKNOWLEDGMENT)

State of California
County of _____

On _____ before me _____ personally appeared
_____
_____
personally know to me (or proved to me on the basis if 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.

Witness my hand and official seal.

Signature _____ (Seal)
Notary Public in and for said County and State

I certify under penalty of perjury that the foregoing is a true and correct copy of the notary acknowledgement appearing in the document to which this statement is attached.

_____ _____
Date signature

(NOTARY SEAL)

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

NAME OF NOTARY Debra A. Gilbert
COUNTY / STATE OF REGISTRATION Stanislaus
NOTARY REGISTRATION NUMBER 1333766
COMMISSION EXPIRATION DATE Dec. 11 2005

12/17/04 Aurora Jacobsen
Date signature

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-011

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION No. 6)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax is higher in Tax Zone #2, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and

Community Facilities Districts, at Page 99; and the map entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A.**

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Creation of Tax Zone #2. . It is intended that the special taxes set forth in Tax Zone #2 be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, January 4, 2005, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and

not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 4th day of January, 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Marsh

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

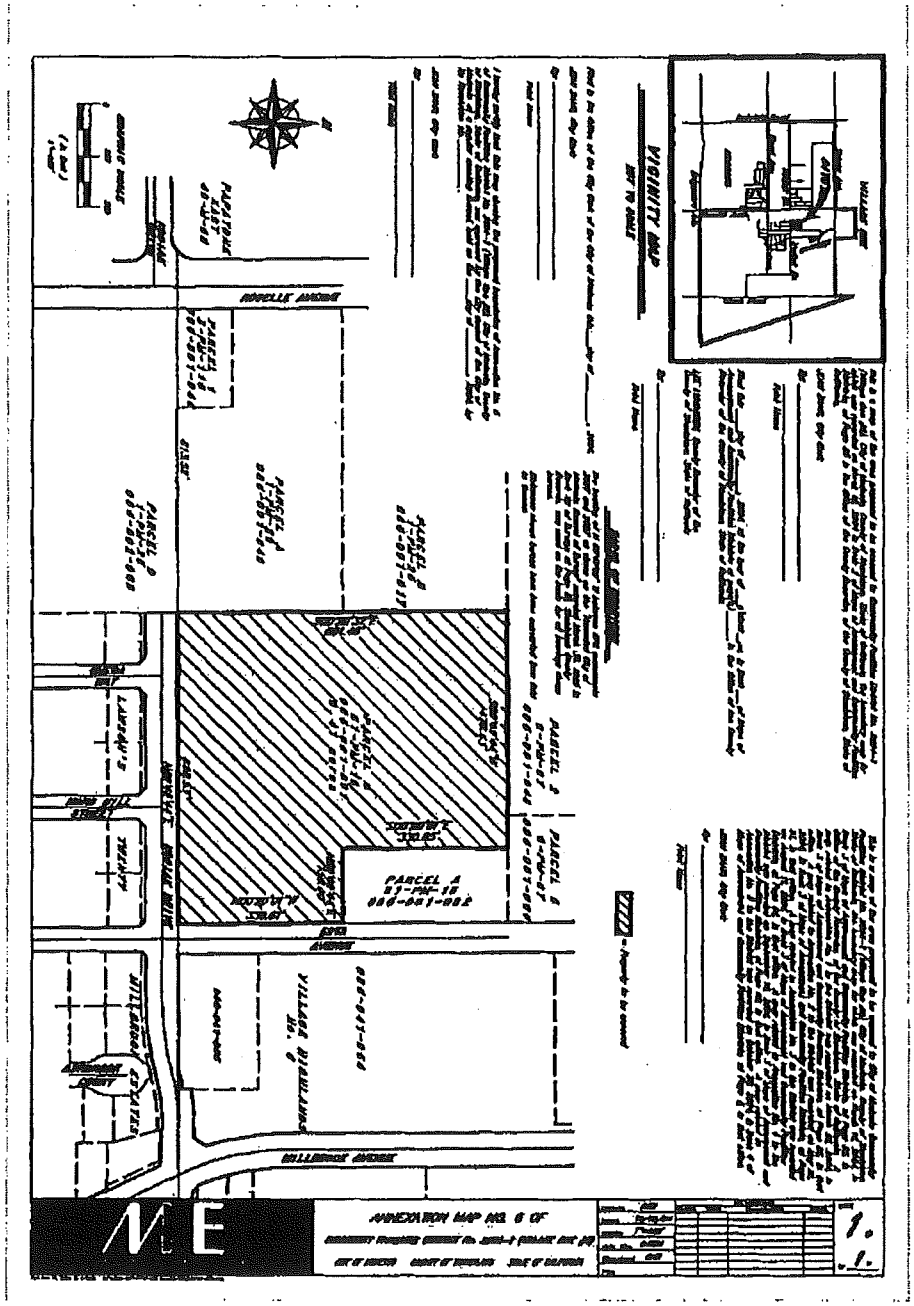
APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 6 TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, January 4, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Pastor Art Herfurth, The Carpenter's House

City Clerk's Announcements - Item 10 removed from Consent
Written communication item removed from agenda

Declaration of Conflicts of Interest Marsh - Item 4
Keating Item - 12

MISCELLANEOUS
Appointments

1. Consider reappointments to the following boards, commissions and committees with term expirations of January 1, 2009:
a. Reappointing John Rogers to the Airport Advisory Committee
· Resolution reappointing John Rogers to the Airport Advisory Committee recommended.

ACTION: Resolution 2005-1 (Jackman/Dunbar; unan.) reappointing John Rogers to the Airport Advisory Committee.

b. Reappointing Tammy Spillers, Caroline Mitton, Charles Chituras and Brad Pitts to the Citizens Housing & Community Development Committee.
· Resolution reappointing Tammy Spillers, Caroline Mitton, Charles Chituras and Brad Pitts to the Citizens Housing & Community Development Committee recommended.

ACTION: Resolution 2005-2 (Jackman/Dunbar; unan.) reappointing Tammy Spillers, Caroline Mitton, Charles Chituras and Brad Pitts to the Citizens Housing & Community

Development Committee.

c. Reappointing Jeffrey Mountain, Doug Moore and Jim Patton to the Citizens Advisory Committee on Recycling.
· Resolution reappointing Jeffrey Mountain, Doug Moore and Jim Patton to the Citizens Advisory Committee on Recycling recommended.

ACTION: Resolution 2005-3 (Jackman/Dunbar; unan.) reappointing Jeffrey Mountain, Doug Moore and Jim Patton to the Citizens Advisory Committee on Recycling.

d. Reappointing David Lopez, Larry Dovichi, Alan Straus, Steve Olson, Lloyd Farris, George Shoemaker to the Community Qualities Forum.
· Resolution reappointing David Lopez, Larry Dovichi, Alan Straus, Steve Olson, Lloyd Farris, George Shoemaker to the Community Qualities Forum recommended.

ACTION: Resolution 2005-4 (Jackman/Dunbar; unan) reappointing David Lopez, Larry Dovichi, Alan Straus, Steve Olson, Lloyd Farris, George Shoemaker to the Community Qualities Forum.

e. Reappointing Robert Moore to the Disabled Access Appeals Board.
· Resolution reappointing Robert Moore to the Disabled Access Appeals Board recommended.

ACTION: Resolution 2005-5 (Jackman/Dunbar; unan) reappointing Robert Moore to the Disabled Access Appeals Board.

f. Reappointing Eric H. Benson and Andrew S. Mendlin to the Downtown Improvement District.
· Resolution reappointing Eric H. Benson and Andrew S. Mendlin to the Downtown Improvement District recommended.

ACTION: Resolution 2005-6 (Jackman/Dunbar; unan) reappointing Eric H. Benson and Andrew S. Mendlin to the Downtown Improvement District.

g. Reappointing Jackie Deabler to the Equal Opportunity/Disability Commission.
· Resolution reappointing Jackie Deabler to the Equal Opportunity/Disability Commission recommended.

ACTION: Resolution 2005-7 (Jackman/Dunbar; unan) reappointing Jackie Deabler to the Equal Opportunity/Disability Commission.

h. Reappointing Linda Ohlson, Carlos DeLa Fuente and Laura Norwood to the Housing Rehabilitation Loan Committee.
· Resolution reappointing Linda Ohlson, Carlos DeLa Fuente and Laura Norwood to the Housing Rehabilitation Loan Committee recommended.

ACTION: Resolution 2005-8 (Jackman/Dunbar; unan) reappointing Linda Ohlson, Carlos DeLa Fuente and Laura Norwood to the Housing Rehabilitation Loan Committee.

i. Reappointing William R. Mitchell and Julius Manrique to the Landmark Preservation Commission.
· Resolution reappointing William R. Mitchell and Julius Manrique to the Landmark Preservation Commission recommended.

ACTION: Resolution 2005-9 (Jackman/Dunbar; unan) reappointing William R. Mitchell and Julius Manrique to the Landmark Preservation Commission.

j. Reappointing Kent Newswander to the Planning Commission.
· Resolution reappointing Kent Newswander to the Planning Commission recommended.
City Manager's Office; George Britton; 577-5223; gbritton@modestogov.com

ACTION: Resolution 2005-10 (Jackman/Dunbar; unan) reappointing Kent Newswander to the Planning Commission.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 15

ACTION Consent Items 2, 3, 5, 6, 7, 8, 9, 11, 13, 14, 15: Dunbar/Hawn; unan.

ACTION 4: Jackman/Hawn unan. Marsh absent

ACTION 10: Dunbar/Jackman; majority, O'Bryant no

ACTION 12: Dunbar/Jackman; unan. Keating absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of December 14, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) approving the minutes of December 14, 2004.

CONSENT
3. Consider final adoption of Ordinance No. 3376-C.S. - an ordinance amending Section 9-4-9 of the Zoning Map of the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and East of Crows Landing Road. (Eagle Valley Investments, Inc.).
· Motion approving final adoption of Ordinance No. 3376-C.S. - an ordinance amending Section 9-4-9 of the Zoning Map of the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and East of Crows Landing Road. (Eagle Valley Investments, Inc.) recommended.
City Attorney; Mike Milich; 577-5284; mmilich@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) approving **final adoption of Ordinance No. 3376-C.S.** - an ordinance amending Section 9-4-9 of the Zoning Map of the City of Modesto to prezone to Prezoned Planned Development zone, P-PD(570), approximately 20 acres of property located south of Glenn Avenue and East of Crows Landing Road. (Eagle Valley Investments, Inc.)

CONSENT - Marsh absent due to conflict of interest
4. Consider annexing additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 6).
· Resolution of intention to annex additional territory ("additional territory") to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("CFD No. 2004-1") recommended.
City Manager-CFD; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-11 (Jackman/Hawn; unan. Marsh absent due to conflict) a resolution of intention to annex additional territory ("additional territory") to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("CFD No. 2004-1").

CONSENT
5. Consider authorizing the District Administrator to execute an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 and American Home Builders, Inc. with a maximum reimbursement amount of $164,662 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Shadow Creek Apartments Multi-Family Final Development Plan (EA/C&ED No. 2004-20).
· Resolution authorizing the District Administrator to execute an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 and American Home Builders, Inc. with a maximum reimbursement amount of $164,662 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Shadow Creek Apartments Multi-Family Final Development Plan (EA/C&ED No. 2004-20).
City Manager-CFD; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-12 (Dunbar/Hawn; unan.) authorizing the District Administrator to execute an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 and American Home Builders, Inc. with a maximum reimbursement amount of $164,662 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Shadow Creek Apartments Multi-Family Final Development Plan (EA/C&ED No. 2004-20).

CONSENT
6. Consider amending the contract with Maze & Associates for performance of the City's annual financial audits. Additional costs for the 2004 Single Audit work is $5, 263, and for the 2005 annual audits is $21,058.
· Resolution approving a fourth amendment to the contract for audit services with Maze and Associates at a cost not to exceed $5,263 for additional 2004 audit work, and $21,058 for additional 2005 audit work, and authorizing the Acting City Manager to execute the agreement recommended.
Clerk-Auditor; Gary Nienhuis, 571-5544; gnienhuis@modestogov.com

ACTION: Resolution 2005-13 (Dunbar/Hawn; unan.) approving a fourth amendment to the contract for audit services with Maze and Associates at a cost not to exceed $5,263 for additional 2004 audit work, and $21,058 for additional 2005 audit work, and authorizing the Acting City Manager to execute the agreement.

CONSENT
7. Consider approving an agreement not to exceed $68, 839, with Turnstone Consulting for preparation of an Initial Study and Notice of Preparation for the Roselle Neighborhood Specific Plan, pursuant to the California Environmental Quality Act.

· Resolution approving agreement not to exceed $68, 839, with Turnstone Consulting for preparation of an Initial Study and Notice of Preparation for the Roselle Neighborhood Specific Plan, pursuant to the California Environmental Quality Act recommended.
Community & Economic Development; Patrick Kelly; 571-5539, pkelly@modestogov.com

ACTION: Resolution 2005-14 (Dunbar/Hawn; unan.) approving agreement not to exceed $68, 839, with Turnstone Consulting for preparation of an Initial Study and Notice of Preparation for the Roselle Neighborhood Specific Plan, pursuant to the California Environmental Quality Act.

CONSENT
8. Consider approving an allocation of $68,791 from FY 2004-2005 HOME CHDO Operating Fund to Habitat for Humanity, Stanislaus; and an allocation of $206,372 from FY 2004-2005 HOME CHDO Set-Aside Fund to Habitat for Humanity, Stanislaus, pending staff and Citizens Housing & Community Development Committee's approval of the revised proposal.
· Resolution approving an allocation of $68,791 from FY 2004-2005 HOME CHDO Operating Fund to Habitat for Humanity, Stanislaus; and an allocation of $206,372 from FY 2004-2005 HOME CHDO Set-Aside Fund to Habitat for Humanity, Stanislaus, pending staff and Citizens Housing & Community Development Committee's approval of the revised proposal recommended.
· Resolution amending the FY 2004-2005 operating budget to reflect revenues and appropriations for carryover amounts from prior year.
Parks, Recreation & Neighborhoods; Julie Hannon; 577-5417; jhannon@modestogov.com

ACTION: Resolution 2005-15 (Dunbar/Hawn; unan) approving an allocation of $68,791 from FY 2004-2005 HOME CHDO Operating Fund to Habitat for Humanity, Stanislaus; and an allocation of $206,372 from FY 2004-2005 HOME CHDO Set-Aside Fund to Habitat for Humanity, Stanislaus, pending staff and Citizens Housing & Community Development Committee's approval of the revised proposal

ACTION: Resolution 2005-16 (Dunbar/Hawn; unan) amending the FY 2004-2005 operating budget to reflect revenues and appropriations for carryover amounts from prior year.

CONSENT
9. Consider approving the request for a Housing Maintenance Program (HMP) loan from Mary G. Perez, secured by her property at 1701 Connie Way, Modesto, in the amount of $117,075,10, with a 3%, 50-year deferred.
· Resolution approving the request for a Housing Maintenance Program (HMP) loan from Mary G. Perez, secured by her property at 1701 Connie Way, Modesto, in the amount of $117,075,10, with a 3%, 50-year deferred recommended.
Parks, Recreation & Neighborhoods; Julie Hannon; 577-5417; jhannon@modestogov.com

ACTION: Resolution 2005-17 (Dunbar/Hawn; unan) approving the request for a Housing Maintenance Program (HMP) loan from Mary G. Perez, secured by her property at 1701 Connie Way, Modesto, in the amount of $117,075,10, with a 3%, 50-year deferred.

Removed from Consent
10. Consider accepting a report updating Council on the status of converting the three water zones into a single zone.
· Motion acknowledging receipt of report recommended.
Public Works; Jana Coons; 642-2281; jcoons@modestogov.com

ACTION: By Motion (Marsh/Dunbar; majority; O'Bryant no) acknowledging receipt of report.

CONSENT
11. Consider approving the award to Brown & Caldwell a $548,922 professional services agreement for design serves for the Dissolved Air Flotation Facility project.
· Resolution approving the award of a professional services agreement to Brown and Caldwell, for $548,922 to complete Design Services for the Dissolved Air Flotation Facility project, and authorizing the Acting City Manager to execute the agreement recommended.
· Resolution amending the current Capital Improvement budget returning $105,000 to reserves from account Engineering Systems Analysis 6210-430-A209; a reappropriation of $105,000 from reserves to account 6210-430-A215 Dissolved Air Flotation; fund transfer of $55,000 from account 6210-480-5213 Water Treatment Secondary; and a fund transfer of $50,000 from account 6210-480-5214 Water Treatment Primary to fully fund a contract with Brown and Caldwell for design services for a Dissolved Air Flotation Facility project recommended.
Public Works; Dean Phillips; 577-5260; dphillips@modestogov.com

ACTION: Resolution 2005-18 (Dunbar/Hawn; unan) approving the award of a professional services agreement to Brown and Caldwell, for $548,922 to complete Design Services for the Dissolved Air Flotation Facility project, and authorizing the Acting City Manager to execute the agreement

ACTION: Resolution 2005-19 (Dunbar/Hawn; unan) amending the current Capital Improvement budget returning $105,000 to reserves from account Engineering Systems Analysis 6210-430-A209; a reappropriation of $105,000 from reserves to account 6210-430-A215 Dissolved Air Flotation; fund transfer of $55,000 from account 6210-480-5213 Water Treatment Secondary; and a fund transfer of $50,000 from account 6210-480-5214 Water Treatment Primary to fully fund a contract with Brown and Caldwell for design services for a Dissolved Air Flotation Facility project.

Councilmember Keating absent due to conflict of interest.
12. Consider accepting the bid and approving a $724,000.00 contract with Soares Pipeline, Inc. for the "Annual Sewer Rehabilitation 2004" project and authorizing the Acting City Manager to execute the contract. Total estimated cost of this project is $854,320.00.
· Resolution accepting the bid and approving a $724,000.00 contract with Soares Pipeline, Inc. for the "Annual Sewer Rehabilitation 2004" project and authorizing the Acting City Manager to execute the contract recommended.
· Resolution amending the current CIP budget.
Public Works; Dean Phillips; 577-5260; dphillips@modestogov.com

ACTION: Resolution 2005-20 (Dunbar/Jackman; unan. Keating absent due to conflict) accepting the bid and approving a $724,000.00 contract with Soares Pipeline, Inc. for the "Annual Sewer Rehabilitation 2004" project and authorizing the Acting City Manager to execute the contract

ACTION: Resolution 2005-21 (Dunbar/Jackman; unan. Keating absent due to conflict) amending the current CIP budget.

CONSENT
13 Consider approving the award of a professional services agreement to Kimley-Horn and Associates, Inc., for $236,858.15 to complete Design Services for the Pedestrian Overcrossing of Sylvan Avenue at Millbrook Avenue project, and authorizing the Community Facilities District Administrator to execute the agreement.
· Resolution approving the award of a professional services agreement to Kimley-Horn and Associates, Inc., for $236,858.15 to complete Design Services for the Pedestrian Overcrossing of Sylvan Avenue at Millbrook Avenue project, and authorizing the

Community Facilities District Administrator to execute the agreement recommended.
Public Works; Dean Phillips; 577-5260; dphillips@modestogov.com

ACTION: Resolution 2005-22 (Dunbar/Hawn; unan) approving the award of a professional services agreement to Kimley-Horn and Associates, Inc., for $236,858.15 to complete Design Services for the Pedestrian Overcrossing of Sylvan Avenue at Millbrook Avenue project, and authorizing the Community Facilities District Administrator to execute the agreement

CONSENT
14. Consider accepting the work by Collins Electrical Company, Inc., for the "Installation of Closed Circuit Television Cameras" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,178,156.63 per the contract. Total project cost is $1,344,969.10.
· Resolution accepting the work by Collins Electrical Company, Inc., for the "Installation of Closed Circuit Television Cameras" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,178,156.63 per the contract recommended.
Public Works; Pamela Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2005-23 (Dunbar/Hawn; unan) accepting the work by Collins Electrical Company, Inc., for the "Installation of Closed Circuit Television Cameras" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,178,156.63 per the contract.

CONSENT
15. Consider authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for armed/uniformed security guard services for an initial two-year period, the three (3) one-year contract extension options for an estimated annual cost of $425, 000.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for armed/uniformed security guard services for an initial two-year period, the three (3) one-year contract extension options for an estimated annual cost of $425, 000 recommended.
Public Works-Purchasing; Tom Reddie, 571-5164; treddie@modestogov.com

ACTION: Resolution 2005-24 (Dunbar/Hawn; unan) authorizing the Purchasing Supervisor to formally solicit Request for Proposals (RFP) for armed/uniformed security guard services for an initial two-year period, the three (3) one-year contract extension options for an estimated annual cost of $425, 000.

COUNCIL COMMENTS & REPORTS

16. At the request of Councilmember Jackman, consider amending the 2005 Council Meeting Calendar to restore the regular meeting of July 26, 2005 and cancel the special meeting of August 3, 2005.

ACTION: Motion made by Councilmember Jackman died due to lack of a second.

WRITTEN COMMUNICATIONS

17. Letter from Carmen Sabatino requesting the City of Modesto explain its policy on how it achieves compliance with the Public Records Act and the provisions of Proposition 59.

ACTION: Removed from the agenda

NEW BUSINESS

18. Consider appointing a new Vice Mayor for calendar year 2005.
· Resolution appointing a new Vice Mayor for calendar year 2005 recommended.
City Attorney; Mike Milich, 577-5284, mmilich@modestogov.com

ACTION: Resolution 2005-25 (Hawn/Dunbar; unan.) appointing Councilmember Jackman as the new Vice Mayor for calendar year 2005.

19. Consider approving the City of Modesto Development Process Improvement Program Action Plan.
· Resolution approving the City of Modesto Development Process Improvement Program Action Plan.
Community & Economic Development; Brad Kilger; 577-5228; bkilger@modestogov.com

ACTION: Resolution 2005-26 (Keating/Marsh; unan.) approving the City of Modesto Development Process Improvement Program Action Plan.

20. Consider accepting an oral report regarding the status of the Pelandale/Claratina Roadway Projects.
· Motion acknowledging receipt of report recommended.
Public Works; Dean Phillips; 577-5260; dphillips@modestogov.com

ACTION: Motion (Dunbar/Jackman; unan.) acknowledging receipt of report.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 7:15 p.m.

CLOSED SESSION

All closed session heard prior to the City Council meeting.

CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Unrepresented Management/Confidential Employees

CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Police Officers Association

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE**, printed in the City of **MODESTO**, County of **STANISLAUS**, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

FEBRUARY 15, 2005

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO**, California on

FEBRUARY 15, 2005

Cynthia Ortega
(Signature)

CITY OF MODESTO
NOTICE OF PUBLIC HEARING

ON THE ANNEXATION OF TERRITORY TOCOMMUNITY FACILITIES DISTRICT NO.20041 (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED ANNEXATION NO.4

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on January 4, 2005, adopt its Resolution No.2005-11 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of one parcel identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No.085-001-061.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2005-11. The time and place for the hearing is Tuesday, February 22, 2005 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2005-11. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.

Dated: February 2, 2005
Jean Zahr
City Clerk
FEBRUARY 15, 2005

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Douglas Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 6 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto as Annexation No. 6.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Douglas Harms

Jan. 12, 2005
Date of Execution

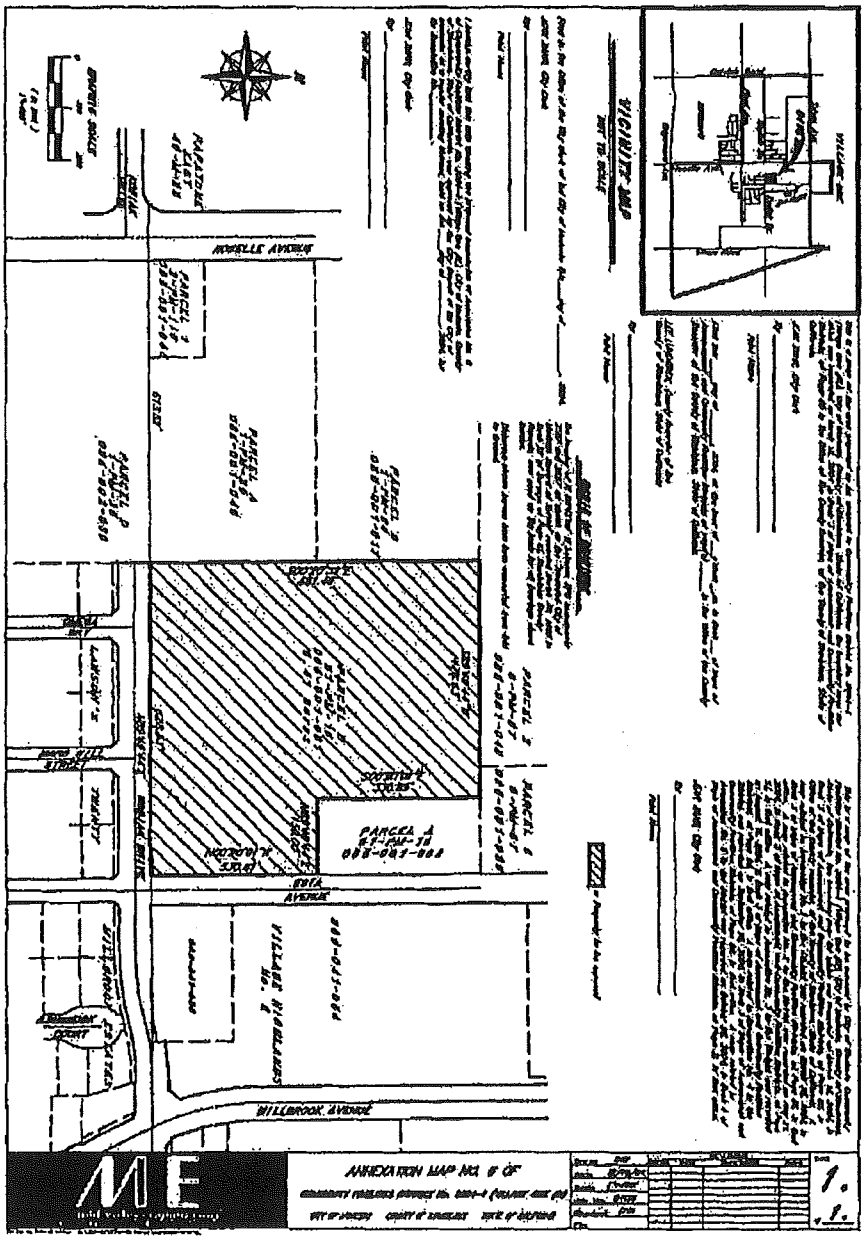
Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 6

Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
085-001-061	John Lagos and Marie T. Lagos	3007 Esta Drive Modesto, California 95355

EXHIBIT A

ANNEXATION NO. 6 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



CERTIFICATE OF REGISTRAR OF VOTERS
OF STANISLAUS COUNTY

I, Lee Lundrigan, of the Office of the Registrar of Voters of Stanislaus County, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 6 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On January 24, 2005, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 2 persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF
STANISLAUS COUNTY

By: Lee Lundrigan

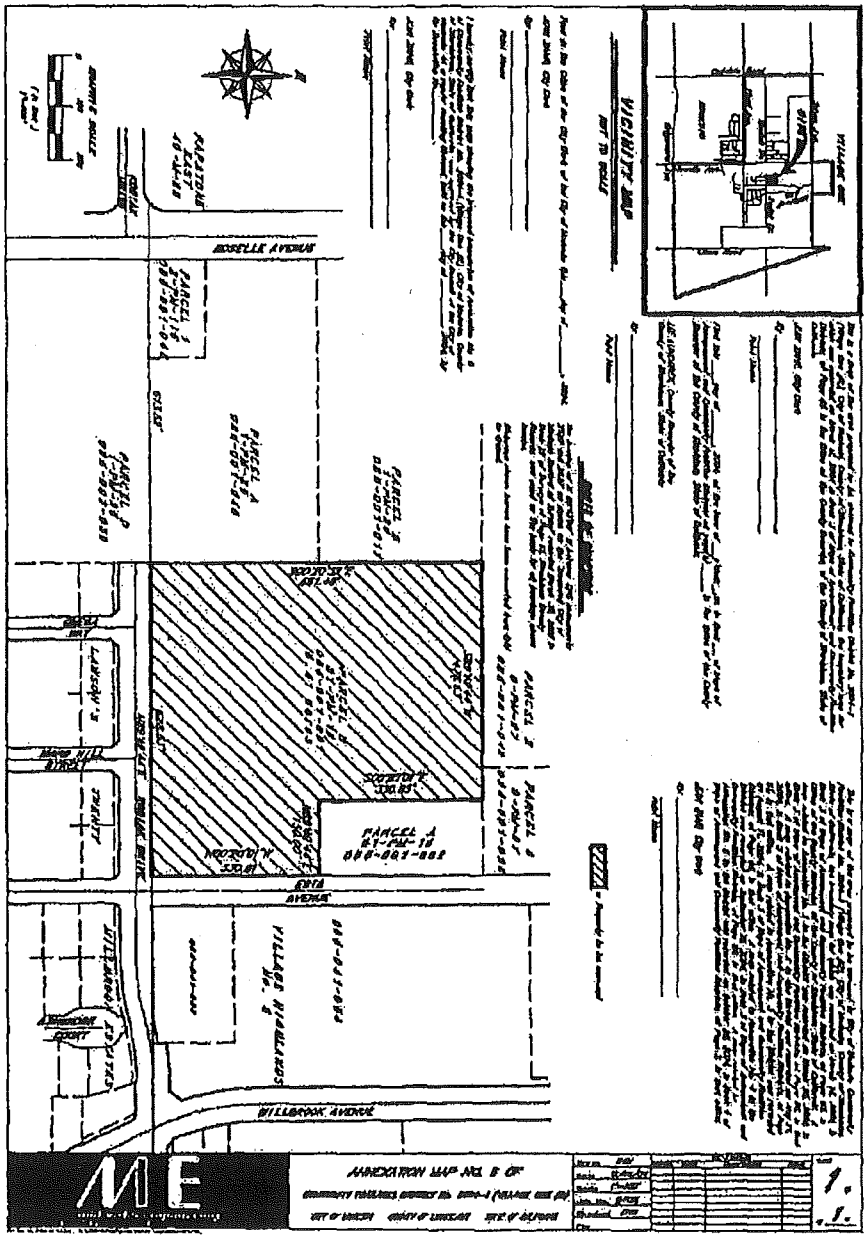
Lee Lundrigan, Clerk Recorder

January 24, 2005
Date of Execution

Modesto, California
Place of Execution

EXHIBIT A

ANNEXATION NO. 6 TO COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



John & Marie Lagos
A.P. No. 085-001-061

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 6

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-061 (the "Property") being land proposed to be annexed, as part of Annexation No. 6, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-11 (the "Resolution of Intention to Annex"), adopted on January 4, 2005. The land proposed to be annexed to the District as Annexation No. 6 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 2 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: COMMUNITY PROPERTY.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]:**

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated OCT 22, 1992, and recorded on OCT. 29, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: FIRST CONCORD MORTGAGE; ASSIGNEE: MARGARETTEN AND CO.; assignee CHASE MANHATTAN; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Peter Branagh as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 402 Railroad Avenue, Suite 201, Danville, CA 94526.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 1-20, 2005

LANDOWNERS: John Lagos & Marie Lagos

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

By: John Lagos
John Lagos

By: Marie Lagos
Marie Lagos

SPI 1402515v2 47932/29

ACKNOWLEDGEMENT AND CONSENT OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005-11 (the "Resolution") to annex certain territory (Annexation No. 6) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: February 7, 2005

Chase Home Finance LLC successor by merger to Chase Manhattan MortgageCorp., f/k/a Chemical Residential Mortgage Corp., successor by merger to Margaretten & Company Inc.

_____ ("Lender")

By: _____
Name: Ann-Marie Vess
Title: Assistant Vice President

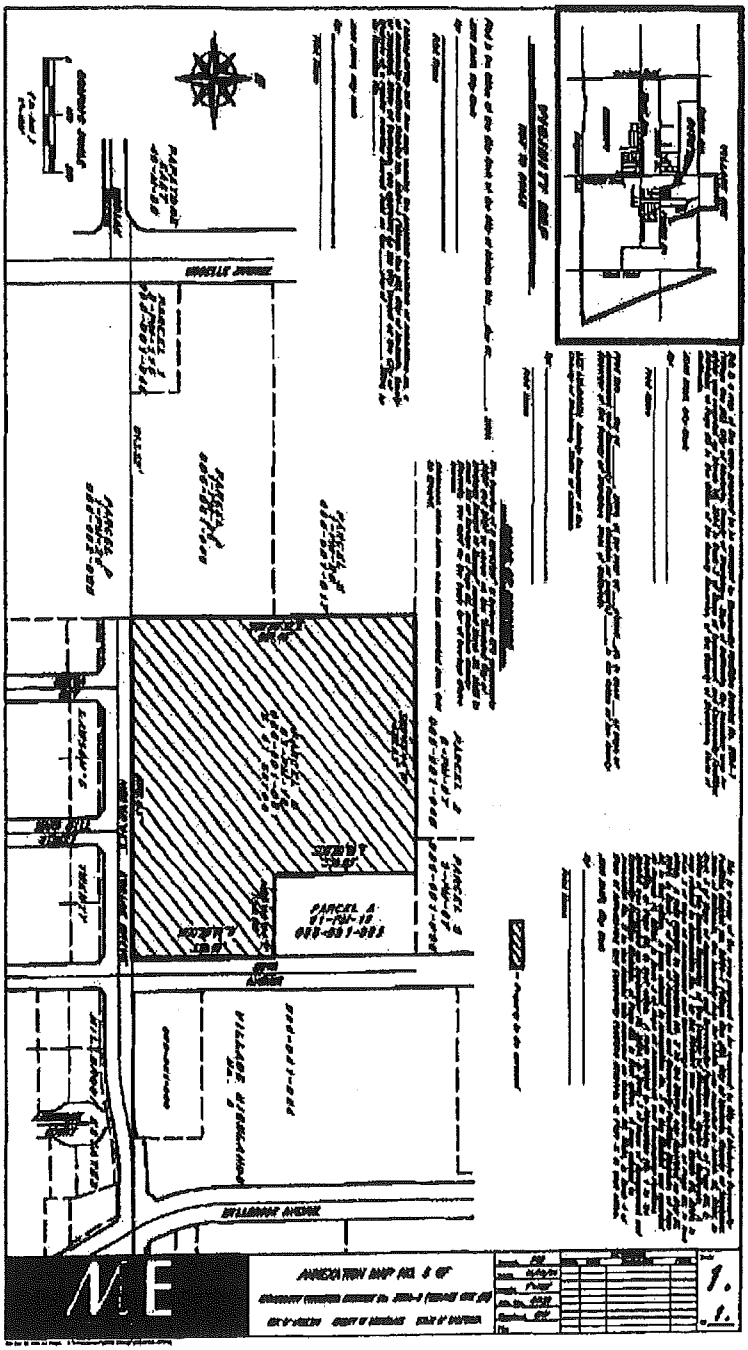
By: _____
Name: _____
Title: _____

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

SF| 140351|4-2 4702/29

EXHIBIT A

ANNEXATION NO. 6 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



SF1 1402515v2 47922/29

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2005-116, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 6)," adopted by the City Council of the City of Modesto on February 8, 2005, I have been designated as the election official to conduct the special election described in that Resolution.

3. On February 4, 2005, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 6. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: Feb 4, 2005

Place of Execution: Modesto, California

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 1/4/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
John Lagos and Marie T. Lagos	Peter Branagh 402 Railroad Avenue, Suite 201 Danville, CA 94526	1	9

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 6

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

February 22, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 6, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on February 22, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

SPECIAL TAX ELECTION

February 22, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, as clarified by the City Council on December 11, 2004 by Resolution No. 2004-681 and as amended by the City Council on December 11, 2004 by Resolution No. 2004-683 (Resolution Creating Tax Zone #2), which are incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on January 4, 2005, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

SPECIAL TAX ELECTION

February 22, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 9
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, as clarified by the City Council on December 11, 2004 by Resolution No. 2004-681 and as amended by the City Council on December 11, 2004 by Resolution No. 2004-683 (Resolution Creating Tax Zone #2), which are incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on January 4, 2005, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 9 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Peter Branagh,** certify as follows:

(1) I am the Authorized Representative of John Lagos and Marie T. Lagos, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 6 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-061 (the "Parcel"), which comprises approximately 8.41 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-116

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 6)

WHEREAS, this Council did, on January 4, 2005, adopt its Resolution No. 2005-11 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax is higher in Tax Zone #2, and

WHEREAS, the Annexed Territory will be subject to the taxes in Tax Zone #2, and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 6 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on January 12, 2005, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 7; and

WHEREAS, at the time and date set for the hearing (February 8, 2005 and continued to February 22, 2005) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 14th day of December 2004. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December

14, 2004 (Resolution No. 2004-681) and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

SPECIAL TAX ELECTION

February 22, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

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MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, as clarified by the City Council on December 11, 2004 by Resolution No. 2004-681 and as amended by the City Council on December 11, 2004 by Resolution No. 2004-683 (Resolution Creating Tax Zone #2), which are incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on January 4, 2005, for the purposes set forth in the Resolution of Formation?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, February 22, 2005, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Jeff Kreiser, ARM Ministry

City Clerk's Announcements None

Declaration of Conflicts of Interest None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of proclamation to Modesto Area Rotary Clubs proclaiming February 23, 2005, as Rotary International Day in Modesto.

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

2. Consider approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005.
· Resolution approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005 recommended.
City Manager's Office; George Britton, 571-5101, gbritton@modestogov.com

ACTION: Resolution 2005-96 (Dunbar/Jackman; unan.) approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 20

ACTION Consent Items 3- 20: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of February 8, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the minutes of February 8, 2005.

CONSENT
4. Consider amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects.
· Resolution amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects recommended.
Community & Economic Development; Laurie Smith; 577-5347, lsmith@modestogov.com

ACTION: Resolution 2005-97 (Jackman/Hawn; unan.) amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects.

CONSENT
5. Consider authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first.
· Resolution authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-98 (Jackman/Hawn; unan.) authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building

permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first.

CONSENT
6. Consider accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000.
· Resolution accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000 recommended.
Finance-Purchasing; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-99 (Jackman/Hawn; unan.) accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000.

CONSENT
7. Consider approving FY05 Budget Adjustments for February 2005.
· Resolution approving FY05 Budget Adjustments for February 2005 recommended.
Finance; Gail Bailey, 571-5511, gbailey@modestogov.com

ACTION: Resolution 2005-100 (Jackman/Hawn; unan.) approving FY05 Budget Adjustments for February 2005.

CONSENT
8. Consider accepting the Monthly Investment Report-December 2005.
· Motion acknowledging receipt and accepting the Monthly Investment Report for December 2005.
Finance; Belinda Duerksen, 571-5511, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) acknowledging receipt and accepting the Monthly Investment Report for December 2005.

CONSENT
9. Consider approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department.
· Resolution approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Resolution 2005-101 (Jackman/Hawn; unan.) approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department.

CONSENT
10. Consider approving an agreement with Stanislaus Community Foundation (SCF) for the Tuolumne River Regional Park Joint Powers Agency.
· Resolution approving an agreement with Stanislaus Community Foundation to act as the Tuolumne River Regional Park (TRRP) Joint Powers Agency's fiscal agent for acceptance of endowments and gifts for open space development and program

activities at the Tuolumne River Regional Park and authorizing the Acting City Manager to execute the agreement recommended.
· Resolution appointing the Tuolumne River Regional Park Citizens Advisory Committee as the Tuolumne River Regional Park Advisory Board to the Stanislaus Community Foundation for the purpose of recommending how to disburse funds held by the SCF on behalf of TRRP recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2005-102 (Jackman/Hawn; unan.) approving an agreement with Stanislaus Community Foundation to act as the Tuolumne River Regional Park (TRRP) Joint Powers Agency's fiscal agent for acceptance of endowments and gifts for open space development and program activities at the Tuolumne River Regional Park and authorizing the Acting City Manager to execute the agreement.

ACTION: Resolution 2005-103 (Jackman/Hawn; unan.) appointing the Tuolumne River Regional Park Citizens Advisory Committee as the Tuolumne River Regional Park Advisory Board to the Stanislaus Community Foundation for the purpose of recommending how to disburse funds held by the SCF on behalf of TRRP.

CONSENT
11. Consider approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68, 791 from FY2004-2005 HOME CHDO Operating Fund.
· Resolution approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68,791 from FY 2004-2005 HOME CHDO Operating fund, and authorizing the Acting City Manager or his designee to execute the agreement recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2005-104 (Jackman/Hawn; unan.) approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68,791 from FY 2004-2005 HOME CHDO Operating fund, and authorizing the Acting City Manager or his designee to execute the agreement.

CONSENT
12. Consider amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment.
· Resolution amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment recommended.
Police Department; Joe Aja, 572-9521, ajaj@modestopd.com

ACTION: Resolution 2005-105 (Jackman/Hawn; unan.) amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment.

CONSENT
13. Consider amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment.
· Resolution amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment recommended.
Police Department, Dan Inderbitzen, 342-6142, inderbitzend@modestopd.com

ACTION: Resolution 2005-106 (Jackman/Hawn; unan.) amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment.

CONSENT

14. Consider authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation. The position would be funded using revenues from the Stanislaus Regional 911 Communication Center Joint Powers Agreement.
· Resolution authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation recommended.
· Resolution amending the 2004-2004 budget, realizing the revenue for an additional Modesto Police Lieutenant from the Stanislaus Regional 911 Communication Center Joint Powers Agreement and expending the funds recommended.
Police Department; Roy Wasden, 572-9501, wasdenr@modestopd.com

ACTION: Resolution 2005-107 (Jackman/Hawn; unan.) authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation.

ACTION: Resolution 2005-108 (Jackman/Hawn; unan.) amending the 2004-2004 budget, realizing the revenue for an additional Modesto Police Lieutenant from the Stanislaus Regional 911 Communication Center Joint Powers Agreement and expending the funds.

CONSENT
15. Consider approving the installation of angle parking on the east side of 16th Street between H and I Streets, and rescinding Resolution No. 2005-35. The estimated cost for the project is $1,200.
· Resolution establishing angle parking on the east side of 16th Street between H and I Streets in the City of Modesto, and rescinding Resolution No. 2005-35 recommended..
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-109 (Jackman/Hawn; unan.) establishing angle parking on the east side of 16th Street between H and I Streets in the City of Modesto, and rescinding Resolution No. 2005-35.

CONSENT
16. Consider accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract. Total project cost was $384,478.
· Resolution accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-110 (Jackman/Hawn; unan.) accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract.

CONSENT
17. Consider accepting the work by Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract. Total project cost is $751,826.42.
· Resolution accepting the work by Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-111 (Jackman/Hawn; unan.) accepting the work by

Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract.

CONSENT
18. Consider accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70.
· Resolution accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70 recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-112 (Jackman/Hawn; unan.) accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70.

CONSENT
19. Consider granting two utility easements to the Modesto Irrigation District for the proposed Bus Maintenance Facility and approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of the existing electrical facilities.
· Resolution granting two utility easements to Modesto Irrigation District for the proposed Bus Maintenance Facility recommended.
· Resolution approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of existing electrical facilities recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-113 (Jackman/Hawn; unan.) granting two utility easements to Modesto Irrigation District for the proposed Bus Maintenance Facility.

ACTION: Resolution 2005-114 (Jackman/Hawn; unan.) approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of existing electrical facilities.

CONSENT
20. Consider accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract. The estimated cost of this project is $388,000.
· Resolution accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled, "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-115 (Jackman/Hawn; unan.) accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled, "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

21. Consider a letter from Steve Breckenridge of Hughes Commercial Real Estate regarding a project entitled "Kiernan @ McHenry."

ACTION: Removed from the agenda by Steve Breckenridge.

HEARINGS

22. Consider annexing additional territory to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 6).
· Resolution calling a special election within the additional territory proposed to be annexed to the City of Modesto Communities Facilities District No. 2004-1 (Village One #2) (Annexation No. 6) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-116 (Jackman/Hawn; unan.) calling a special election within the additional territory proposed to be annexed to the City of Modesto Communities Facilities District No. 2004-1 (Village One #2) (Annexation No. 6)

ACTION: Resolution 2005-117 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1

NEW BUSINESS

23. Consider amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006.
· Resolution amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006 recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-118 (Jackman/Marsh; majority; O'Bryant no) amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006 and include in the bid specification the option of using rubberized asphalt.

24. Consider approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008.
· Resolution approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008 recommended.
· Resolution approving the Class Range Table for MPOA recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-119 (Dunbar/Marsh; unan.) approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008.

ACTION: Resolution 2005-120 (Dunbar/Marsh; unan.) approving the Class Range Table for MPOA.

25. Consider the StanCOG Project Prioritization request.
· Resolution approving Economic Development Committee's (EDC) recommendation for the four priority projects, and authorizing staff to review funding mechanism and return to City Council with a funding package to front the funds for Project Approval & Environmental Document (PA&ED) and Plans Specification & Estimates (PS&E) work for the SR99/Pelandale Interchange project recommended.
Public Works; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: Resolution 2005-121 (Marsh/Hawn; unan.) approving Economic Development Committee's (EDC) recommendation for the four priority projects, and authorizing staff to review funding mechanism and return to City Council with a funding package to front the funds for Project Approval & Environmental Document (PA&ED) and Plans Specification & Estimates (PS&E) work for the SR99/Pelandale Interchange project.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:30 p.m.

CLOSED SESSION

Closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATIOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employee Association

CONFERENCE WITH LABOR NEGOTIATIOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employee Association

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 6

SPECIAL TAX ELECTION

February 22, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 9
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, as clarified by the City Council on December 11, 2004 by Resolution No. 2004-681 and as amended by the City Council on December 11, 2004 by Resolution No. 2004-683 (Resolution Creating Tax Zone #2), which are incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on January 4, 2005, for the purposes set forth in the Resolution of Formation?

YES ☒

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 9 VOTES

RECEIVED
MODESTO CITY CLERK
05 FEB 11 PM 1:17

AUTHORIZATION
(BALLOT NO. 1)

I, **Peter Branagh**, certify as follows:

(1) I am the Authorized Representative of John Lagos and Marie T. Lagos, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 6 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-061 (the "Parcel"), which comprises approximately 8.41 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 2/9, 2005 at 402 Railroad Ave #201 Danville, Ca 94526, _____.

Peter J Branagh
Signature of Authorized Representative (Voter)

402 Railroad Ave #201
Danville, Ca 94526
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-117

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE FEBRUARY 22, 2005, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 6)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" adopted on January 4, 2005, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

WHEREAS, the owner of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced

in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2005-11, adopted on January 4, 2005, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for February 8, 2005, or as soon after there as practicable, relative to the foregoing;

WHEREAS, on February 22, 2005, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2005-11 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2. It is intended that the special taxes set forth in Tax Zone # 2 be levied in the territory annexed.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 3/8/06
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:
By: Mike Milich
MICHAEL D. MILICH, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-116, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 6) adopted on January 4, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on February 22, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), adopted by the City Council of the City of Modesto on April 6, 2004, as clarified by the City Council on December 11, 2004 by Resolution No. 2004-681 and as amended by the City Council on December 11, 2004 by Resolution No. 2004-683 (Resolution Creating Tax Zone #2), which are incorporated herein by this reference, be also levied within the territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-11, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 6)" (the "Resolution of Intention to Annex") adopted by they City Council of the City of Modesto on January 4, 2005, for the purposes set forth in the Resolution of Formation?

TOTAL VOTES CAST: YES 9 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: Feb 22, 2005

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, February 22, 2005, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Jeff Kreiser, ARM Ministry

City Clerk's Announcements None

Declaration of Conflicts of Interest None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of proclamation to Modesto Area Rotary Clubs proclaiming February 23, 2005, as Rotary International Day in Modesto.

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

2. Consider approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005.
· Resolution approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005 recommended.
City Manager's Office; George Britton, 571-5101, gbritton@modestogov.com

ACTION: Resolution 2005-96 (Dunbar/Jackman; unan.) approving the appointment of Kristen Olsen as the Planning Commission representative to the Citizen's Housing and Community Development Committee for the calendar year 2005.

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 20

ACTION Consent Items 3- 20: Jackman/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of February 8, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the minutes of February 8, 2005.

CONSENT
4. Consider amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects.
· Resolution amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects recommended.
Community & Economic Development; Laurie Smith; 577-5347, lsmith@modestogov.com

ACTION: Resolution 2005-97 (Jackman/Hawn; unan.) amending the Fiscal Year 2004-2005 operating budget to increase the Community & Economic Development Department's revenue by $100,000 from time and materials projects, and appropriating $100,000 to contract with outside service providers for professional services needed to assist in the workload associated with these projects.

CONSENT
5. Consider authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first.
· Resolution authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-98 (Jackman/Hawn; unan.) authorizing the Acting City Manager to execute a Deferred Payment Agreement and Notice of Lien with Jose Casellanos for the payment of $7,061 of Capital Facility Fees at the time of building

permit issuance and $8,156 at final inspection and issuance of a certificate of occupancy or within one year after issuance of building permit, whichever occurs first.

CONSENT
6. Consider accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000.
· Resolution accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000 recommended.
Finance-Purchasing; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-99 (Jackman/Hawn; unan.) accepting the bid of Industrial Electrical Co. for "Electric Motor Rewinding/Rebuilding Services" and awarding a two-year contract with three, one-year contract extensions for an estimated annual cost of $50,000.

CONSENT
7. Consider approving FY05 Budget Adjustments for February 2005.
· Resolution approving FY05 Budget Adjustments for February 2005 recommended.
Finance; Gail Bailey, 571-5511, gbailey@modestogov.com

ACTION: Resolution 2005-100 (Jackman/Hawn; unan.) approving FY05 Budget Adjustments for February 2005.

CONSENT
8. Consider accepting the Monthly Investment Report-December 2005.
· Motion acknowledging receipt and accepting the Monthly Investment Report for December 2005.
Finance; Belinda Duerksen, 571-5511, bduerksen@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) acknowledging receipt and accepting the Monthly Investment Report for December 2005.

CONSENT
9. Consider approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department.
· Resolution approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department recommended.
Information Technology; Joyce Engberg, 577-5229, jengberg@modestogov.com

ACTION: Resolution 2005-101 (Jackman/Hawn; unan.) approving an amendment to an agreement with Independent Solutions for an additional contract amount of $50,000, and a total contract amount not to exceed $154,000 for continuation of Consultancy Services to support the I.T. Department.

CONSENT
10. Consider approving an agreement with Stanislaus Community Foundation (SCF) for the Tuolumne River Regional Park Joint Powers Agency.
· Resolution approving an agreement with Stanislaus Community Foundation to act as the Tuolumne River Regional Park (TRRP) Joint Powers Agency's fiscal agent for acceptance of endowments and gifts for open space development and program

activities at the Tuolumne River Regional Park and authorizing the Acting City Manager to execute the agreement recommended.
· Resolution appointing the Tuolumne River Regional Park Citizens Advisory Committee as the Tuolumne River Regional Park Advisory Board to the Stanislaus Community Foundation for the purpose of recommending how to disburse funds held by the SCF on behalf of TRRP recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2005-102 (Jackman/Hawn; unan.) approving an agreement with Stanislaus Community Foundation to act as the Tuolumne River Regional Park (TRRP) Joint Powers Agency's fiscal agent for acceptance of endowments and gifts for open space development and program activities at the Tuolumne River Regional Park and authorizing the Acting City Manager to execute the agreement.

ACTION: Resolution 2005-103 (Jackman/Hawn; unan.) appointing the Tuolumne River Regional Park Citizens Advisory Committee as the Tuolumne River Regional Park Advisory Board to the Stanislaus Community Foundation for the purpose of recommending how to disburse funds held by the SCF on behalf of TRRP.

CONSENT
11. Consider approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68, 791 from FY2004-2005 HOME CHDO Operating Fund.
· Resolution approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68,791 from FY 2004-2005 HOME CHDO Operating fund, and authorizing the Acting City Manager or his designee to execute the agreement recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2005-104 (Jackman/Hawn; unan.) approving an agreement with Habitat for Humanity, Stanislaus, for the allocation of $68,791 from FY 2004-2005 HOME CHDO Operating fund, and authorizing the Acting City Manager or his designee to execute the agreement.

CONSENT
12. Consider amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment.
· Resolution amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment recommended.
Police Department; Joe Aja, 572-9521, ajaj@modestopd.com

ACTION: Resolution 2005-105 (Jackman/Hawn; unan.) amending the 2004-05 budget, transferring $44,200 from the Asset Forfeiture Trust Account to purchase needed police equipment.

CONSENT
13. Consider amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment.
· Resolution amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment recommended.
Police Department, Dan Inderbitzen, 342-6142, inderbitzend@modestopd.com

ACTION: Resolution 2005-106 (Jackman/Hawn; unan.) amending the 2004-05 budget appropriate $195,200 from the Traffic Safety Fund to police operations for the purchase of recommended traffic equipment.

CONSENT

14. Consider authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation. The position would be funded using revenues from the Stanislaus Regional 911 Communication Center Joint Powers Agreement.
· Resolution authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation recommended.
· Resolution amending the 2004-2004 budget, realizing the revenue for an additional Modesto Police Lieutenant from the Stanislaus Regional 911 Communication Center Joint Powers Agreement and expending the funds recommended.
Police Department; Roy Wasden, 572-9501, wasdenr@modestopd.com

ACTION: Resolution 2005-107 (Jackman/Hawn; unan.) authorizing the addition of one Modesto Police Lieutenant to the Police Department's Position Allocation.

ACTION: Resolution 2005-108 (Jackman/Hawn; unan.) amending the 2004-2004 budget, realizing the revenue for an additional Modesto Police Lieutenant from the Stanislaus Regional 911 Communication Center Joint Powers Agreement and expending the funds.

CONSENT
15. Consider approving the installation of angle parking on the east side of 16th Street between H and I Streets, and rescinding Resolution No. 2005-35. The estimated cost for the project is $1,200.
· Resolution establishing angle parking on the east side of 16th Street between H and I Streets in the City of Modesto, and rescinding Resolution No. 2005-35 recommended..
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-109 (Jackman/Hawn; unan.) establishing angle parking on the east side of 16th Street between H and I Streets in the City of Modesto, and rescinding Resolution No. 2005-35.

CONSENT
16. Consider accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract. Total project cost was $384,478.
· Resolution accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-110 (Jackman/Hawn; unan.) accepting the work by TCB Industrial, Inc., for the "Elm Street Buildings" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $299,343 per the contract.

CONSENT
17. Consider accepting the work by Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract. Total project cost is $751,826.42.
· Resolution accepting the work by Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-111 (Jackman/Hawn; unan.) accepting the work by

Graham Contractors, Inc., for the "2004 Slurry and Cape Seals" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $648,231.96 per the contract.

CONSENT
18. Consider accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70.
· Resolution accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70 recommended.
Public Works; Pam Marquez, 577-5215, pmarquez@modestogov.com

ACTION: Resolution 2005-112 (Jackman/Hawn; unan.) accepting the work by Grover Landscaping Services, Inc., for the "Coffee Claratina Neighborhood Park and Dual Use Basin" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $977,213.72 per the contract. Total project cost is $1,192,149.70.

CONSENT
19. Consider granting two utility easements to the Modesto Irrigation District for the proposed Bus Maintenance Facility and approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of the existing electrical facilities.
· Resolution granting two utility easements to Modesto Irrigation District for the proposed Bus Maintenance Facility recommended.
· Resolution approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of existing electrical facilities recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-113 (Jackman/Hawn; unan.) granting two utility easements to Modesto Irrigation District for the proposed Bus Maintenance Facility.

ACTION: Resolution 2005-114 (Jackman/Hawn; unan.) approving a payment of $114,310.00 to Modesto Irrigation District for the relocation of existing electrical facilities.

CONSENT
20. Consider accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract. The estimated cost of this project is $388,000.
· Resolution accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled, "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-115 (Jackman/Hawn; unan.) accepting the bid and approving a $272,288.50 contract with George Reed, Inc., for the project titled, "Encina Avenue Roundabout Improvements," and authorizing the Acting City Manager to execute the contract.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

21. Consider a letter from Steve Breckenridge of Hughes Commercial Real Estate regarding a project entitled "Kiernan @ McHenry."

ACTION: Removed from the agenda by Steve Breckenridge.

HEARINGS

22. Consider annexing additional territory to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 6).
· Resolution calling a special election within the additional territory proposed to be annexed to the City of Modesto Communities Facilities District No. 2004-1 (Village One #2) (Annexation No. 6) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-116 (Jackman/Hawn; unan.) calling a special election within the additional territory proposed to be annexed to the City of Modesto Communities Facilities District No. 2004-1 (Village One #2) (Annexation No. 6)

ACTION: Resolution 2005-117 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1

NEW BUSINESS

23. Consider amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006.
· Resolution amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006 recommended.
Public Works; Richard Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-118 (Jackman/Marsh; majority; O'Bryant no) amending the Capital Improvement Program and budget to allow construction of a 6-lane interim facility on Pelandale Avenue between Dale Road and McHenry Avenue to start in FY 2006 and include in the bid specification the option of using rubberized asphalt.

24. Consider approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008.
· Resolution approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008 recommended.
· Resolution approving the Class Range Table for MPOA recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-119 (Dunbar/Marsh; unan.) approving the Memorandum of Understanding between the City of Modesto and the Modesto Police Officer's Association (MPOA), for the term of February 22, 2005 through December 22, 2008.

ACTION: Resolution 2005-120 (Dunbar/Marsh; unan.) approving the Class Range Table for MPOA.

25. Consider the StanCOG Project Prioritization request.
· Resolution approving Economic Development Committee's (EDC) recommendation for the four priority projects, and authorizing staff to review funding mechanism and return to City Council with a funding package to front the funds for Project Approval & Environmental Document (PA&ED) and Plans Specification & Estimates (PS&E) work for the SR99/Pelandale Interchange project recommended.
Public Works; Firoz Vohra, 577-5429, fvohra@modestogov.com

ACTION: Resolution 2005-121 (Marsh/Hawn; unan.) approving Economic Development Committee's (EDC) recommendation for the four priority projects, and authorizing staff to review funding mechanism and return to City Council with a funding package to front the funds for Project Approval & Environmental Document (PA&ED) and Plans Specification & Estimates (PS&E) work for the SR99/Pelandale Interchange project.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:30 p.m.

CLOSED SESSION

Closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATIOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employee Association

CONFERENCE WITH LABOR NEGOTIATIOR
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employee Association

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 - 10th Street)
Modesto, California 95353)

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2005-0039874-00
Wednesday, MAR 09, 2005 15:46:40
Ttl Pd $0.00 Nbr-0001724006
OSL/R2/1-22

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 6)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)
(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on February 22, 2005. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A hereto. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A hereto.

Notice is further given that, as a result of this annexation (Annexation No. 6), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 6), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-001-061	John Lagos & Marie T. Lagos

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 6 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 7, in the Office of the County Recorder of the County of Stanislaus, State of California.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/30/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

Dated: March 9, 2005

Jean Zahr
Jean Zahr
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 3/9/05 before me, Esther Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

UPDATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
ADDING TAX ZONE #2

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2004-1 (Village One #2) [herein "CFD No. 2004-1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Modesto, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2004-1, 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 CFD No. 2004-1 unless a separate Rate and Method of Apportionment 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 Development Plan.

"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 carrying out its duties with respect to CFD No. 2004-1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

"Annual Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Facilities Special Tax Requirement, as defined below.

"Annual Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest, including scheduled sinking fund payments, on Bonds, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Maintenance Special Tax Requirement for the Fiscal Year, (iii) to create or replenish reserve funds, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 2004-1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Annual Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to construct or acquire Authorized Facilities. The amounts referred to in clauses (i) and (iii) 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 a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 2004-1 from the collection of penalties associated with delinquent Annual Facilities Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Annual Maintenance Special Tax" means a special tax levied in any Fiscal Year to pay the Maintenance Special Tax Requirement, as defined below.

"Annual Maintenance Special Tax Requirement" means that amount necessary in any Fiscal Year to (i) pay for Authorized Services, (ii) pay administrative expenses of CFD No. 2004-1 that have not been included in the Annual Facilities Special Tax Requirement for the Fiscal Year, and (iii) cure any delinquencies in the payment of Annual Maintenance Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Annual Maintenance Special Taxes which have already taken place) are expected to occur in the current Fiscal Year..

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Facilities" means those facilities that are authorized to be funded by CFD No. 2004-1.

"Authorized Services" means those services that are authorized to be funded by CFD No. 2004-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2004-1 related to Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 2004-1 was adopted by the City Council.

"City" means the City of Modesto.

"City Council" means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2004-1.

"Commercial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a commercial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"County" means the County of Stanislaus.

"Developed Property" means, in any Fiscal Year, the following:

For purposes of levying the Annual Maintenance Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

For purposes of levying the Annual Facilities Special Tax, "Developed Property" means:

- for Low Density Residential Property and Village Residential Property, all Parcels for which a building permit for construction, or reconstruction of a unit was issued prior to June 30 of the preceding Fiscal Year but not prior to June 30, 2002,

- for Multi-Family Attached Property, all Parcels for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year, and

- for Commercial Property and Industrial Property, all Parcels for which a building permit for construction, reconstruction or expansion of a building structure was issued prior to June 30 of the preceding Fiscal Year. Notwithstanding the foregoing, Parcels of Commercial Property or Industrial Property on which a vacant building is located that cannot be occupied without demolition or reconstruction of the building shall not be categorized as Developed Property until a permit is issued for construction of a new building or reconstruction of the existing building.

"Expected Land Uses" means the Net Taxable Acreage of each Land Use Class expected on an Original Parcel in CFD No. 2004-1 based on reference to the Expected Land Use Map. The Expected Land Uses for each Original Parcel in the CFD at the time of CFD Formation, and the corresponding Maximum Special Tax for each Parcel, are reflected in Attachment 2, which will be updated with each annexation of property into CFD No. 2004-1.

"Expected Land Use Map" means the map entitled "Village One Zoning of Unvested Properties" and dated February 21, 2003, which is on file with the CFD Administrator at the City and the City Clerk and which identifies the Expected Land Uses on all Parcels within the Village One Specific Plan that either (i) are in CFD No. 2004-1 at CFD Formation, or (ii) may be annexed into the CFD in future Fiscal Years. The Expected Land Use Map may be updated in future years to add property within the Village One Specific Plan that was vested to develop when the map was prepared and, therefore, was not included in the map but subsequently has its vesting expire or for any other reason becomes subject to a condition of development that requires formation of, or annexation into, a CFD.

"Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates lots which do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term "Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, 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" means a geographic area that, upon annexation into CFD No. 2004-1, is identified as an improvement area as defined in the Act instead of a Tax Zone, as defined below. Special Taxes collected within an Improvement Area will be the sole security for Bonds issued for that Improvement Area.

"Industrial Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of an industrial building based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Land Use Class" means one of the five mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A. The City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation.

"Low Density Residential Property" means all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density of two or less dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

"Maximum Annual Facilities Special Tax" means the greatest amount of Annual Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum One-Time Facilities Special Tax" means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Maximum Special Taxes" means, collectively, the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax.

"Multi-Family Property" means all Parcels in CFD No. 2004-1 for which building permits have been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units. If a building permit has not yet been issued on the Parcel, the Administrator shall reference the Village One Specific Plan and/or the Parcel's zoning designation to determine whether the Parcel is Multi-Family Property.

"Net Taxable Acreage" or **"Net Taxable Acre"** means the total acreage within a Final Map or Parcel less arterial road right-of-ways and property that is defined in the Final Map for use as a park site, school site, or City-owned or CFD-owned storm drainage basin. If a Subdivision Map is recorded which is not a Final Map for some or all Parcels created by the subdivision, the Administrator shall calculate the Net Taxable Acreage of such unsubdivided Parcels by identifying the Acreage of the Parcel and (i) adding a portion of the acreage of any non-arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way, and (ii) subtracting a portion of the acreage of any arterial right-of-way that fronts the Parcel determined by drawing lines at right angles to the right-of-way. The Net Taxable Acreage of a Parcel or Final Map shall be determined in the sole discretion of the City.

"One-Time Facilities Special Tax" means a Special Tax, levied and collected in full by the City prior to a structural building permit being issued for new construction on Taxable Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 2004-1 at the time of CFD Formation or added to the CFD upon annexation, as identified in Attachment 2 (which shall be updated after each annexation). A Successor Parcel that is being further subdivided shall also be considered an

Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Per-Acre Special Taxes" means the per-acre Special Taxes identified in Table 1 in Section C below.

"Proportionately" means, for Developed Property, that the ratio of the actual Annual Facilities Special Tax and Annual Maintenance Special Tax levied in any Fiscal Year to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, respectively. In addition, for Undeveloped Property, "Proportionately" means that the ratio of the actual Annual Facilities Special Tax and actual Annual Maintenance Facilities Special Tax to the Maximum Annual Facilities Special Tax and Maximum Annual Maintenance Special Tax is equal for all Assessor's Parcels of Undeveloped Property, respectively.

"Public Property" means any property within the boundaries of CFD No. 2004-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Detached Lot" means an individual numbered lot, which is in its final configuration and for which a building permit may be issued for a single family detached unit.

"Special Taxes" means, collectively, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Special Tax Category" means, individually, the One-Time Facilities Special Tax, the Annual Facilities Special Tax, and the Annual Maintenance Special Tax.

"Subdivision Map" means a Final Map, large lot subdivision map, or other map recorded with the County that results in the subdivision of an Original Parcel into two or more Successor Parcels.

"Successor Parcel" means an Assessor's Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel on which construction of a residential or non-residential structure is permitted.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2004-1 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 2004-1 that, (i) based on the Village One Specific Plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in a prior Fiscal Year.

"Tax Zone" means a mutually exclusive geographic area within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Taxes. Attachment 1 identifies the boundaries of Tax Zone #1 and Tax Zone #2 as of the date of adoption of this updated

Rate and Method of Apportionment of Special Tax; additional Tax Zones may be created when property is annexed into the CFD. Alternatively, additional Original Parcels may be added to a Tax Zone with assigned Maximum Special Taxes based on the Expected Land Uses on each Original Parcel.

"Tax Zone #1" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #1. Tax Zone #1 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Tax Zone #2" means the geographic area that is designated in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone #2. Tax Zone #2 may be expanded to include additional Original Parcels that annex to CFD No. 2004-1; Attachments 1 and 2 will be updated each time such an annexation takes place.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2004-1 that are not Developed Property.

"Village One Specific Plan" means the specific plan for development within the Village One project in the City of Modesto adopted by the City Council on April 1, 2003, as amended from time to time.

"Village Residential Property" means, in any Fiscal Year, all Parcels in CFD No. 2004-1 for which a building permit has been or may be issued for construction of a residential unit on a Parcel with a maximum density greater than two dwelling units per gross acre based on reference to the Village One Specific Plan and/or the Parcel's zoning designation.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property in CFD No. 2004-1. The Administrator shall also determine: (i) the Tax Zone within which each Parcel of Taxable Property is located, (ii) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, (iii) which Parcels are Commercial Property, Industrial Property, Multi-Family Property, Low Density Residential Property, and Village Residential Property (the City shall, in its sole discretion, determine the appropriate Land Use Class for Parcels on which a structure was built prior to CFD Formation), (iv) the Net Taxable Acreage of each Parcel, and (v) the Annual Facilities Special Tax Requirement and the Annual Maintenance Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2004-1 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) one or more of the newly-created Parcels meets the definition of

Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

C. CALCULATING MAXIMUM SPECIAL TAXES

The Administrator shall use the procedures set forth below to calculate the Maximum Special Taxes for each Parcel in CFD No. 2004-1 in each Fiscal Year, including the Maximum One-Time Facilities Special Tax, Maximum Annual Facilities Special Tax, and Maximum Annual Maintenance Special Tax. A separate method of calculating the Maximum Special Taxes may be identified for Tax Zones or Improvement Areas added to CFD No. 2004-1 as a result of future annexations. The Per-Acre Special Taxes set forth in Table 1 below shall be used for purposes of Sections C.1 and C.2 below:

Table 1
Per-Acre Special Taxes
Fiscal Year 2004-05 *

Land Use Class	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #1	Per-Acre Special Tax: One-Time Facilities Special Tax TAX ZONE #2	Per-Acre Special Tax: Annual Facilities Special Tax	Per-Acre Special Tax: Annual Maintenance Special Tax
Low Density Residential Property	$13,342 per Net Taxable Acre	$19,576 per Net Taxable Acre	$3,517 per Net Taxable Acre	$525 per Net Taxable Acre
Village Residential Property	$30,281 per Net Taxable Acre	$44,429 per Net Taxable Acre	$6,405 per Net Taxable Acre	$1,233 per Net Taxable Acre
Multi-Family Property	$101,437 per Net Taxable Acre	$148,832 per Net Taxable Acre	$7,222 per Net Taxable Acre	$4,020 per Net Taxable Acre
Commercial Property	$52,102 per Net Taxable Acre	$76,446 per Net Taxable Acre	$3,570 per Net Taxable Acre	$920 per Net Taxable Acre
Industrial Property	$13,103 per Net Taxable Acre	$19,225 per Net Taxable Acre	$2,550 per Net Taxable Acre	$920 per Net Taxable Acre

All Per-Acre Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.

1. Original Parcels

The Maximum Special Taxes for each Land Use Class in the Original Parcels in CFD No. 2004-1 as of the date of approval of this updated Rate and Method of Apportionment of Special Tax are identified in Attachment 2. Attachment 2 will be updated by the

Administrator as needed to reflect Original Parcels added to the CFD due to additional annexations. Until an Original Parcel is subdivided, the Maximum Special Taxes shown in Attachment 2 (escalated as set forth herein) shall be the Maximum Special Taxes for the Parcel unless the zoning on the Original Parcel changes to a Land Use Class that has higher Per-Acre Special Taxes, as shown in Table 1 above. Upon approval of such change in zoning by the City Council, the Administrator shall multiply the applicable Per-Acre Special Taxes by the Net Taxable Acreage of each Land Use Class that is expected on the Parcel based on the rezone. The Administrator shall then update Attachment 2 to reflect the higher Maximum Special Taxes for the Parcel. If a rezone results in a Land Use Class that has a lower Per-Acre Special Tax than the previous Expected Land Uses, there shall be no corresponding reduction in the Maximum Special Taxes for the Parcel. The potential reduction in Maximum Special Tax revenues must be considered separately for each Special Tax Category. If the rezone would cause a reduction in the Maximum Special Tax revenues in any Special Tax Category, the Maximum Special Tax identified for that Special Tax Category shall remain the same as originally assigned to the Original Parcel.

2. **Successor Parcels**

a. ***All Successor Parcels are Single Family Detached Lots***

If the Parcels created by a recorded Subdivision Map are all Single Family Detached Lots, the Administrator shall apply the following steps to allocate the Maximum Special Taxes for the Original Parcel to each of the Successor Parcels created by the subdivision:

Step 1: Determine the greater of (i) the Maximum Special Taxes assigned to each Expected Land Use for the Original Parcel, or (ii) the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property within the Subdivision Map multiplied by the Per-Acre Special Taxes for such Land Use Classes from Table 1 above. If the Subdivision Map includes both Low Density Residential Property and Village Residential Property, separately calculate the amount that applies to each Land Use Class.

Step 2: Separately for any Low Density Residential Property and Village Residential Property created by the Subdivision Map, divide the Maximum Special Taxes from Step 1 by the number of Successor Parcels to determine the Maximum Special Taxes for each Single Family Detached Lot.

b. ***No Successor Parcels are Single Family Detached Lots***

If none of the Successor Parcels created by recordation of a Subdivision Map are Single Family Detached Lots, the Administrator shall apply the following steps to

allocate the Maximum Special Taxes assigned to the Original Parcel to each of the Successor Parcels:

Step 1: Identify the Expected Land Uses for the Original Parcel.

Step 2: Determine the Net Taxable Acreage within each Land Use Class created by the Subdivision Map.

Step 3: If the Net Taxable Acreage of each Land Use Class from Step 2 is the same as the Expected Land Uses, the Maximum Special Taxes assigned to each of the Expected Land Uses on the Original Parcel shall be allocated to the Successor Parcels based on the Acreage of each Land Use Class that occurs on each Successor Parcel.

Step 4: If the Net Taxable Acreage within each Land Use Class from Step 2 is different than the Expected Land Uses for the Original Parcel, the Administrator shall apply the following steps **separately for each Special Tax Category**:

Step 4a. Multiply the applicable Per-Acre Special Tax by the Net Taxable Acreage of each Land Use Class created by the Subdivision Map.

Step 4b. If the amount calculated in Step 4a is ***greater than*** the Maximum Special Tax assigned to the Original Parcel, multiply the Net Taxable Acreage of each Land Use Class on each Successor Parcel by the applicable Per-Acre Special Tax from Table 1 above to determine the Maximum Special Tax for each Successor Parcel.

Step 4c. If the amount calculated in Step 4a is ***less than*** the Maximum Special Tax assigned to the Original Parcel: (i) identify the Maximum Special Tax that was assigned to each of the Expected Land Uses on the Parcel, (ii) divide the Maximum Special Tax for each Land Use Class by the Net Taxable Acreage of each Land Use Class actually created by the Subdivision Map, and (iii) multiply the per-acre Maximum Special Tax calculated in (ii) by the Net Taxable Acreage of each Land Use Class on each Successor Parcel to determine the Maximum Special Tax for each Parcel.

If the Land Use Classes on a Successor Parcel or Parcels are different than the Expected Land Uses for that Parcel(s) and such difference would result in a reduction in the Maximum Special Tax assigned to the Original Parcel for any Special

Tax Category, the Maximum Special Tax assigned to the Original Parcel shall either be distributed equally on a per-acre basis to the Successor Parcels or, if multiple Land Use Classes are created by the Subdivision Map, the Maximum Special Tax from the Original Parcel shall be distributed to each Land Use Class so that the per-acre tax for each Land Use Class has the same proportional relationship as the Per-Acre Special Taxes in Table 1 above.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

c. ***Some, But Not All, Successor Parcels are Single Family Detached Lots***

If a Subdivision Map divides an Original Parcel into Successor Parcels, of which some are Single Family Detached Lots and some are not, the Administrator shall (i) break out the Net Taxable Acreage of Low Density Residential Property and/or Village Residential Property separately from the Net Taxable Acreage of other Land Use Classes, (ii) for the Low Density Residential Property and/or Village Residential Property created by the Subdivision Map, apply the steps in Section C.2a to determine the Maximum Special Taxes for each Single Family Detached Lot, and (iii) apply the steps in Section C.2b above to determine the Maximum Special Taxes for Land Use Classes other than Low Density Residential Property and Village Residential Property.

If, after subdivision of an Original Parcel, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.2a, C.2b, or C.2c, as appropriate.

After each reallocation of the Maximum Special Taxes upon subdivision or reconfiguration of Original Parcels, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less, but may be more, than the Maximum Special Taxes assigned to the Original Parcels prior to such reallocation.

D. ESCALATION OF MAXIMUM SPECIAL TAXES

1. One-Time Facilities Special Tax

Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source

if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Annual Facilities Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

3. Annual Maintenance Special Tax

Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax assigned to each Parcel and the Per-Acre Special Tax shown in Table 1 above shall be adjusted annually by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in CFD No. 2004-1 and shall be collected as set forth in Section F below.

2. Annual Facilities Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Annual Facilities Special Tax Requirement for the Fiscal Year. The Annual Facilities Special Tax shall then be levied on all Parcels of Taxable Property in CFD No. 2004-1 as follows:

Step 1: The Annual Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Facilities Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts;

Step 2: If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Annual Facilities Special Tax Requirement, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Facilities Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Facilities Special Tax assigned to each Parcel of Taxable Public Property.

3. Annual Maintenance Special Tax

Commencing with Fiscal Year 2004-05 and for each following Fiscal Year, the Administrator shall determine the Maintenance Special Tax Requirement for the Fiscal Year. The Annual Maintenance Special Tax shall then be levied on all Parcels of Taxable Property as follows:

Step 1: The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel for such Fiscal Year;

Step 2: If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the CFD, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Undeveloped Property for such Fiscal Year;

Step 3: If additional revenue is needed after applying the first two steps, the Annual Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax assigned to each Parcel of Taxable Public Property.

F. COLLECTION OF SPECIAL TAX

The Maximum One-Time Facilities Special Tax shall be collected prior to a building permit being issued for new construction of any residential or non-residential structure on Taxable Property within CFD No. 2004-1, and shall be immediately delinquent if not so paid.

The Annual Facilities Special Tax and Annual Maintenance Special Tax for CFD No. 2004-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or

collect delinquent Annual Facilities Special Taxes and Annual Maintenance Special Taxes through foreclosure or other available methods.

The Annual Facilities Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Annual Facilities Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall an Annual Facilities Special Tax be levied after Fiscal Year 2060-61. The Annual Maintenance Special Tax will continue to be levied and collected unless and until the City determines that the Annual Maintenance Special Tax no longer needs to be levied to pay Authorized Services of the CFD and all Administrative Expenses have been reimbursed. Under no circumstances may the Annual Facilities Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Annual Facilities Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Taxes, no Special Taxes shall be levied on Public Property, except Taxable Public Property, as defined herein.

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 an Annual Facilities Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Annual Facilities 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 on behalf of the CFD prior to the date of prepayment.
>
> **"Public Facilities Requirements"** means either $14,100,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City as sufficient to fund Authorized Facilities. The Public Facilities Requirements shown above shall be adjusted or a separate Public Facilities

Requirements identified each time property annexes into CFD No. 2004-1; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Annual Facilities Special Tax generated within that annexation area.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus costs of Authorized Facilities funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

The Annual Facilities Special Tax obligation applicable to an Assessor's Parcel in the CFD may be prepaid and the obligation of the Assessor's Parcel to pay the Annual Facilities Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Annual Facilities Special Taxes with respect to such Assessor's Parcel at the time of prepayment. The Annual Maintenance Special Tax may not be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Facilities 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 Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Annual Facilities Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities 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. Compute the total Maximum Annual Facilities Special Tax that could be collected from the Assessor's Parcel prepaying the Annual Facilities Special Tax in the Fiscal Year in which prepayment would be received by the City.

Step 2. Divide the Maximum Annual Facilities Special Tax from Step 1 by the total amount that could be collected if the Maximum Annual Facilities Special Tax was levied on all Parcels of Taxable Property in the CFD.

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. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).

Step 6. 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 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.

Step 8: 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 Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9: Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance Requirement"*).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).

Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, 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"*).

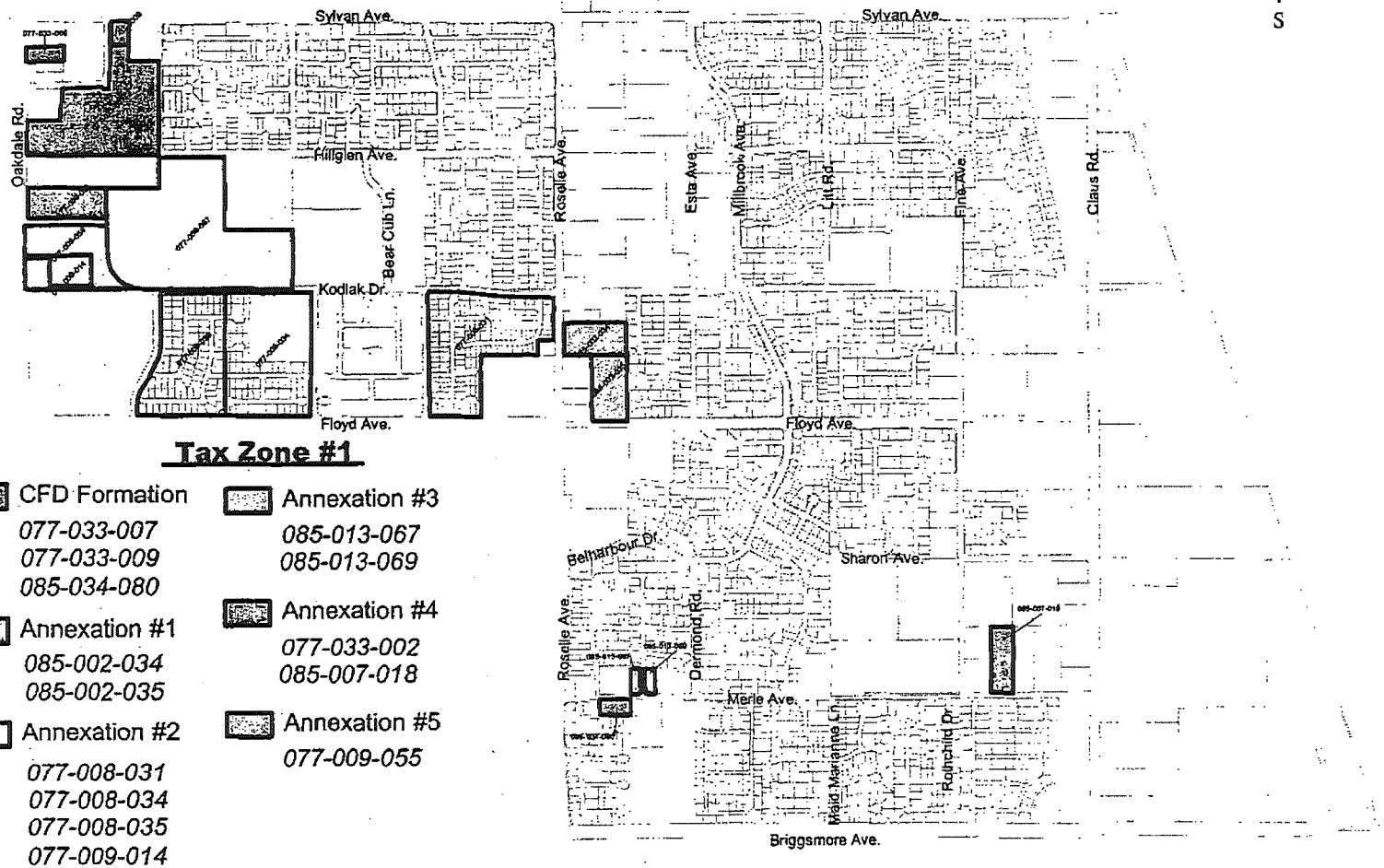
Step 12. The Annual Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"Prepayment Amount"*).

If an owner that has prepaid the Annual Facilities Special Tax obligation assigned to a Parcel subsequently rezones the Parcel to a Land Use Class that has a higher Per-Acre Annual Facilities Special Tax, the City may in its sole discretion and as a condition of approval of the rezoning, collect the additional Annual Facilities Special Tax prepayment that would have applied had the Parcel been rezoned at the time of the original prepayment for the Parcel.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1
City of Modesto
Community Facilities District No. 2004-1
(Village One #2)
IDENTIFICATION OF TAX ZONES



Tax Zone #1

CFD Formation
077-033-007
077-033-009
085-034-080

Annexation #1
085-002-034
085-002-035

Annexation #2
077-008-031
077-008-034
077-008-035
077-009-014
077-009-056
077-009-057

Annexation #3
085-013-067
085-013-069

Annexation #4
077-033-002
085-007-018

Annexation #5
077-009-055

Updated by VMD 11/4/04

ATTACHMENT 2

Last Updated: 11/4/04

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Maximum Special Taxes Assigned to Expected Land Uses
Within Each Original Parcel in Each Tax Zone

Annexation	Tax Zone	Assessor's Parcel Number	Expected Land Uses	Expected Net Taxable Acreage	Fiscal Year 2004-05 Maximum One-Time Facilities Special Tax/1	Fiscal Year 2004-05 Maximum Annual Facilities Special Tax/2	Fiscal Year 2004-05 Maximum Annual Maintenance Special Tax/3
F	1	077-033-007	Village Residential	16.23	$491,461	$103,953	$20,012
			Commercial	3.24	$168,810	$11,567	$2,981
F	1	077-033-009	Commercial	0.93	$48,455	$3,320	$856
F	1	085-034-080	Village Residential	1.00	$30,281	$6,405	$1,233
1	1	085-002-034	Multi Family	4.62	$468,639	$33,366	$18,573
1	1	085-002-035	Multi Family	4.88	$495,013	$35,244	$19,618
2	1	077-008-031	Village Residential	25.13	$760,962	$160,958	$30,986
2	1	077-008-034	Village Residential	14.82	$448,765	$94,923	$18,274
			Multi Family	10.60	$1,075,233	$76,554	$42,612
2	1	077-008-035	Village Residential	21.03	$636,810	$134,698	$25,930
2	1	077-009-014	Village Residential	2.83	$85,696	$18,127	$3,490
2	1	077-009-056	Village Residential	9.85	$298,268	$63,090	$12,146
2	1	077-009-057	Village Residential	38.97	$1,180,051	$249,603	$48,051
3	1	085-013-067	Multi Family	0.57	$57,819	$4,117	$2,291
3	1	085-013-069	Multi Family	0.57	$57,819	$4,117	$2,291
4	1	077-033-002	Commercial	1.12	$58,354	$3,998	$1,030
4	1	085-007-018	Village Residential	3.06	$92,660	$19,599	$3,773
5	1	077-009-055	Village Residential	5.79	$175,327	$37,085	$7,139

1. Beginning in January 2005 and each January thereafter, the Maximum One-Time Facilities Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum One-Time Facilities Special Tax shall become effective on the subsequent July 1.

2. Beginning in Fiscal Year 2005-06 and each Fiscal Year thereafter, the Maximum Annual Facilities Special Tax shall escalate by 2.0% of the amount in effect in the prior Fiscal Year.

3. Beginning in January 2005 and each January thereafter, the Maximum Annual Maintenance Special Tax shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%). Each annual adjustment of the Maximum Annual Maintenance Special Tax shall become effective on the subsequent July 1.

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-073

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION No. 7)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax is higher in Tax Zone #2, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99; the map entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2; and the map entitled "Annexation Map No. 6 to

Community Facilities District No. 2004-1 (Village One #2), on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Creation of Tax Zone #2. . It is intended that the special taxes set forth in Tax Zone #2 be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, March 8, 2005, at the regular meeting place of the City

Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in

the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 1st day of February 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Rebecca Bartholomew
for JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

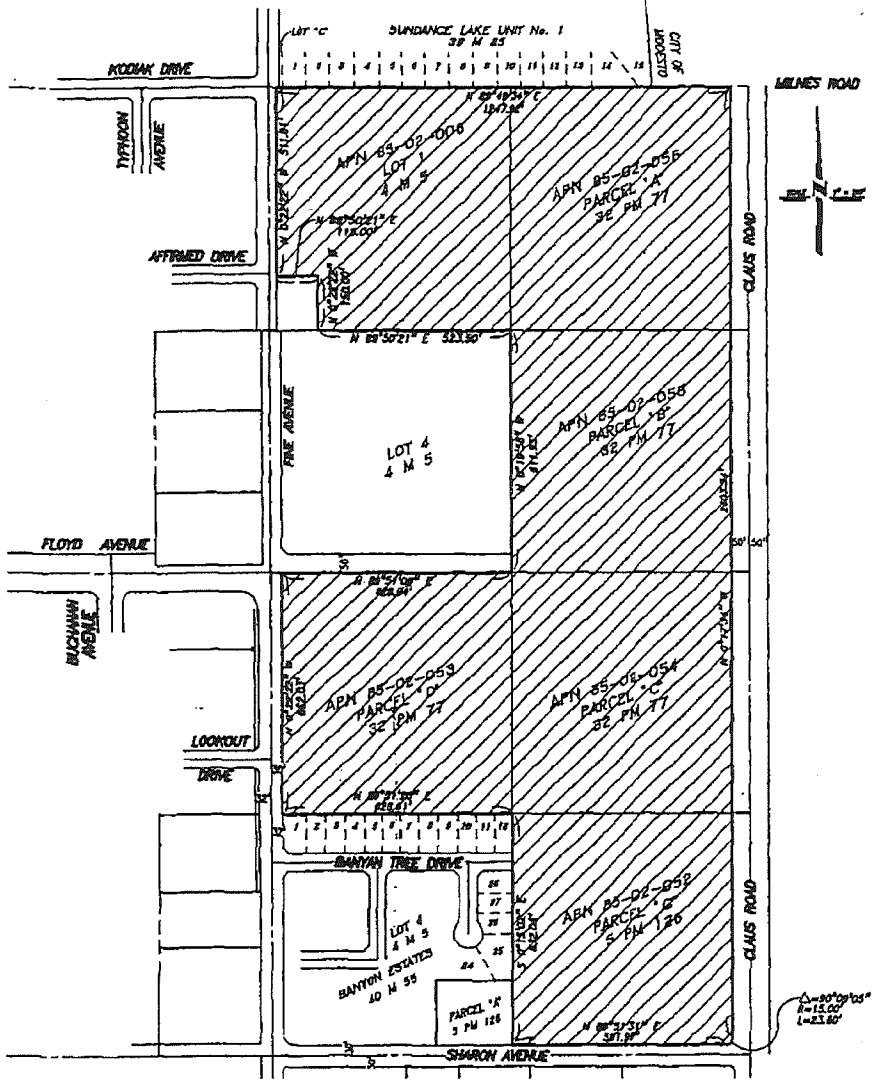
By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 7 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



PROPERTY TO BE ANNEXED

BASIS OF BEARING

A BEARING OF NORTH 0°14'50" EAST FOR THE LINE THAT LIES BETWEEN CITY OF MODESTO GPS MONUMENT NO. 2628 AND NO. 2526, AS SHOWN ON THE "RECORD OF SURVEY" FILED IN VOLUME 22 OF SURVEYS, AT PAGE 61, STANISLAUS COUNTY RECORDS.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO

THIS _____ DAY OF _____, 2002.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 7 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE 02), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2002, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE 02), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98 IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

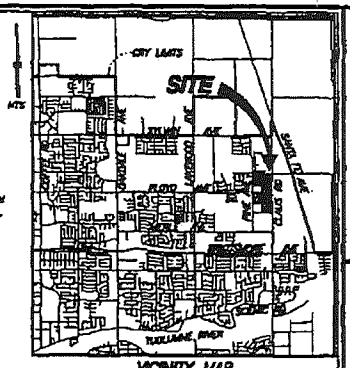
PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDGREN, COUNTY RECORDER OF THE
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

PRINT NAME



VICINITY MAP
NOT TO SCALE

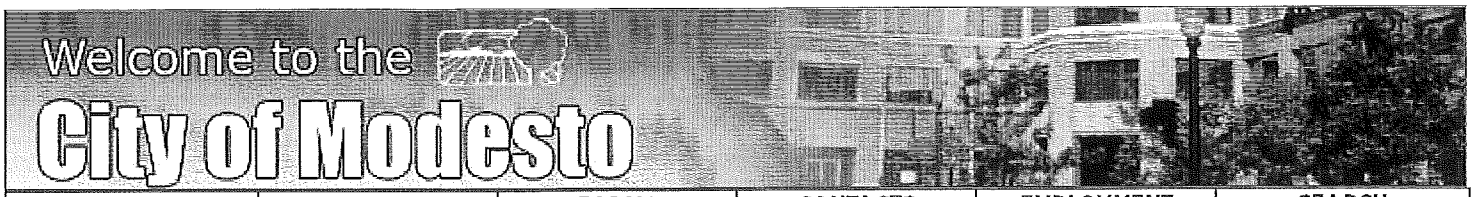
THOMPSON-HYSELL ENGINEERS
A DIVISION OF THE WESTERN CONSULTANTS, INC.
1010 SETH STREET, MODESTO, CA 95351
(209) 523-4000 FAX (209) 523-4001

REVISIONS

DRAWN BY	DATE	SCALE	
		1" = 100'	

ANNEXATION MAP NO. 7
OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE 02)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

SHEET NUMBER
1
OF 1 SHEETS



City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, February 1, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Pastor Wayne Bridegroom- Central Baptist Church

City Clerk's Announcements - None

Declaration of Conflicts of Interest: Item 5 - Councilmember Hawn

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Frank Rosenav spoke regarding the problems in other counties regarding the licensing of dogs and cats and breeders permits.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 1 through 7

ACTION Items 1, 2, 3, 4, 6, 7: Jackman/Keating; unan.

ACTION 5: Dunbar/Jackman; unan.; Hawn absent due to conflict of interest

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT

1. Consider approval of the minutes of the regular City Council meeting of January 25, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the minutes of January 25, 2005.

CONSENT
2. Consider approving the final adoption of Ordinance No. 3377-C.S. amending Municipal Code Sections 5-6.301, 5-6.303 regarding the requirements for connecting to the sewer system following annexation to the City.
· Motion approving final adoption of Ordinance No. 3377-C.S. amending Municipal Code Sections 5-6.301, 5-6.303 regarding the requirements for connecting to the sewer system following annexation to the City recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) approved the final adoption of Ordinance No. 3377-C.S. amending Municipal Code Sections 5-6.301, 5-6.303 regarding the requirements for connecting to the sewer system following annexation to the City.

CONSENT
3. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7).
· Resolution of Intention to Annex Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7) recommended.
City Manager-CFD; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-73 (Jackman/Keating; unan.) a Resolution of Intention to Annex Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7).

CONSENT
4. Consider approving the timeline for the development of the Annual Action Plan, including the allocation of funds for public services, and estimated RFP amounts for Public Service Grants for 2005-2006.
· Resolution approving the timeline for the development of the Annual Action Plan, including the allocation of funds for public services, and estimated RFP amounts for Public Service Grants for 2005-2006.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-74 (Jackman/Keating; unan.) approving the timeline for the development of the Annual Action Plan, including the allocation of funds for public services, and estimated RFP amounts for Public Service Grants for 2005-2006.

CONSENT Councilmember Hawn absent due to conflict of interest
5. Consider increasing the Public Works Director's authority to issue change orders on the "Centre Plaza Elevator Extension" Project from $45,000 to $50,600, and accepting the work of TCB Industrial, Inc, for the "Centre Plaza Elevator Extension" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $283,467.57 per the contract. Total project cost is $356,287.68.
· Resolution increasing the Public Works Director's authority to issue change orders on the " Centre Plaza Elevator Extension" project from $45,000 to $50,600 recommended.
· Resolution accepting the work by TCB Industrial, Inc., for the "Centre Plaza

Elevator Extension" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $283,467.57 per the contract recommended.
Public Works; Pam Marquez, 577-5423, pmarquez@modestogov.com

ACTION: Resolution 2005-75 (Dunbar/Jackman; unan. Hawn absent due to conflict) increasing the Public Works Director's authority to issue change orders on the " Centre Plaza Elevator Extension" project from $45,000 to $50,600.

ACTION: Resolution 2005-76 (Dunbar/Jackman; unan. Hawn absent due to conflict) accepting the work by TCB Industrial, Inc., for the "Centre Plaza Elevator Extension" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $283,467.57 per the contract.

CONSENT
6. Consider affirming the City's co-sponsorship of "Earth Day in the Park Festival, 2005 at Graceada Park and allow the sale of merchandise in the Park during the event.
· Resolution affirming the City's co-sponsorship of "Earth Day in the Park Festival, 2005 at Graceada Park and allow the sale of merchandise in the Park during the event recommended.
Public Works; Beverly McCullough, 577-5495, bdmccullough@modestogov.com

ACTION: Resolution 2005-77 (Jackman/Keating; unan.) affirming the City's co-sponsorship of "Earth Day in the Park Festival, 2005 at Graceada Park and allow the sale of merchandise in the Park during the event.

CONSENT
7. Consider accepting the updated City of Modesto Traffic Flow Map.
· Motion acknowledging receipt of map recommended.
Public Works; Jeff Barnes, 577-5468, jbarnes@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) acknowledging receipt of the updated City of Modesto Traffic Flow Map.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

8. Letter from Dan Hopkins of the Modesto Chamber of Commerce Land Use/Transportation Committee requesting the Council's support of the proposed 108/219 transportation corridor which links Oakdale, Riverbank, Modesto and Salida.

ACTION: By motion (Marsh/O'Bryant; unan.) Council supported the inclusion of Claribel corridor in a Project Study Report.

NEW BUSINESS

9. Consider appropriating $90,000 from the General Fund Reserve to Organization 4722 in order to fully fund Graffiti Abatement for the remainder of Fiscal Year 04-05.
· Resolution appropriating $90,000 from the General Fund Reserve to Organization 4722 in order to fully fund Graffiti Abatement for the remainder of Fiscal Year 04-05.
Public Works; Jana Coons, 342-2281, jcoons@modestogov.com

ACTION: Resolution 2005-78 (Hawn/Marsh; unan.) appropriating $90,000 from the General Fund Reserve to Organization 4722 in order to fully fund Graffiti Abatement for the remainder of Fiscal Year 04-05.

10. Consider directing Staff regarding the use of the County ED Bank Loan to fund preparation of the Kiernan Business Park Implementation Plan.
Community & Economic Development; Brad Kilger, 577-5337, bkilger@modestogov.com

ACTION: By motion (Jackman/Keating; unan.) approved staff recommendation which directed staff to negotiate and develop a separate agreement with the property owners on the method to be used to contribute funding towards preparation of the KBP Implementation Plan if the City secures the ED Bank Loan funds; and the Council agreed in concept with the KBP property owner proposal to include alternative land uses as a part of the Kiernan Business Park Specific Plan and EIR updates, which may include mixed-use projects and high-density multiple-family attached housing that support and do not undermine the integrity of the primary purpose of the specific plan, which is the development of a Class A Business Park.

The Council also requested that property owners meet funding commitments within 90 days.

11. Consider directing Staff regarding the Sphere of Influence and Annexation Policies.
Community & Economic Development; Patrick Kelly, 577-5268, pkelly@modestogov.com

ACTION: No action taken on this item. At the next work study session Councilmember Hawn will review his information with the Council.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:15 p.m.

CLOSED SESSION

This Closed Session item was removed.
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: City of Modesto v. Viacom Outdoor, Inc., et al.
Stanislaus County Superior Court No. 329869

This Closed Session Item was heard prior to the meeting.
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, Acting City Manager
Robin Renwick, Personnel Director

Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employee Association

This Closed Session item was removed.
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Various well sites as follows:

Well Sites located in Waterford, CA:
APN: 080-058-002 - 546 N. Reinway Avenue, Waterford
APN: 080-045-035 - (n/a) S. Reinway Avenue, Waterford (across from school)
APN: 080-018-033 - Cinnabar Avenue, Waterford (near Bonnie Brae)
APN: 134-004-003 - 12315 Dorsey Street, Waterford
APN: 080-028-035 - 300 Tim Bell Road, Waterford
APN: 080-033-004 - 13555 Skyline Blvd., Waterford

Well Sites located in Ceres, CA:
APN: 039-022-001 - 2310 Lehi Avenue (NE of Central/Hatch)
APN: 039-053-001 - 924 Richland Avenue (N. of Woodworth Ave)

Well Sites located in Turlock, CA:
APN: 043-023-050 - 902 S. Minaret Avenue, S. Turlock
APN: 072-010-039 - 305 Hedstrom Road, N. Turlock
APN: 043-052-013 - 2307 Evelle Lane @ S. Quincy near Brier, S. Turlock
APN: 072-040-001 - Carolyn Drive (in alley)
Land located at 917 Carolyn, Turlock (no longer a functional well site)

Well Sites located in Hickman, CA:
APN: 080-046-001 - 13101 Lake Road
APN: 019-044-008 - Montpelier @ 6th

Well Sites located in Grayson, CA:
APN: 016-039-025 - 8417 Yamamoto Way (also T9 & GAC)
APN: 016-034-007 - 8930 Charles Street

Well Sites located in Del Rio:
APN: 004-059-048 - 1260 Country Club Drive
APN: 004-082-006 - 7315 Hillcrest Drive
APN: 004-085-001 - 7119 Beltis

City of Modesto, Owner

Negotiating Parties: City of Modesto, Seller
City of Waterford, Buyer as to Waterford well sites only; and/or a yet to be determined private party for all of the well sites, including those located in Waterford, CA

Under Negotiation: Price and terms of payment for property to be sold

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

MAY 28, 2005

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

MAY 28, 2005

(Signature)

CITY OF MODESTO
NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.20041 (VILLAGE ONE#2),AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.7

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on April 26, 2005, adopt its Resolution No.2005-182 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of one parcel identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No. 085-002-079.

NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2005-182. The time and place for the hearing is Tuesday, June 14, 2005 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2005-182. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.

Dated: May 16, 2005
Jean Zahr
City Clerk
MAY 28, 2005

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Douglas Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 7 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 7.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

May 9, 2005
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1- of the City of Modesto
Annexation No. 7

Assessor's Parcel Numbers	Owner's Names	Owner's Addresses
085-002-079	William Lyon Homes, Inc.	4490 Von Karman Avenue Newport Beach, CA 92660

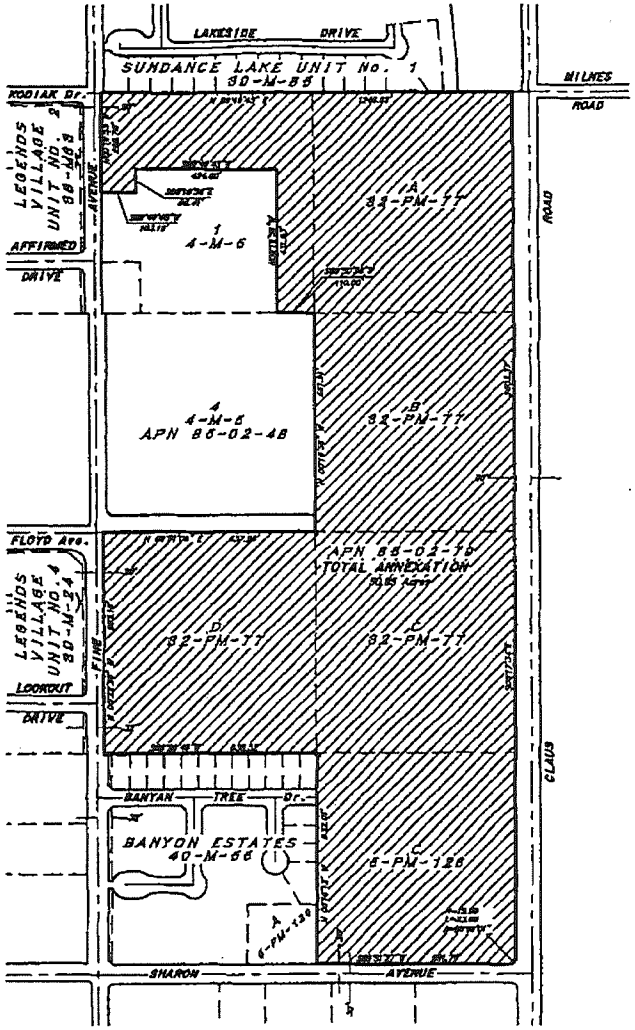
ANNEXATION MAP NO. 7

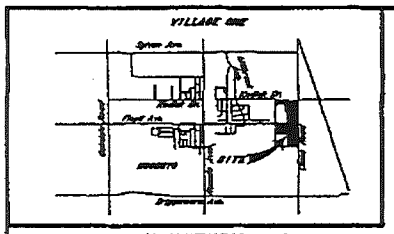
OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AS AMENDED
CITY OF MODESTO COUNTY OF STANISLAUS
STATE OF CALIFORNIA

SCALE: 1"=200'
APRIL 2005

JOB No. 02037
SHEET 1 OF 1

MID-VALLEY ENGINEERING
1117 "L" STREET
MODESTO, CALIFORNIA, 95354
(209) 529-4814





SIFA ANNEXATION MAP
NOT TO SCALE

N

GRAPHIC SCALE
300 0 300 600
(in feet)
1"=300'

~ Property to be annexed

BASIS OF BEARINGS

The bearing of N 89°07'03" W between GPS monuments 2628 and 2627 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

This is an amended map of the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 18, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 63, in the Office of the County Recorder, of the County of Stanislaus, State of California. A map of Annexation No. 1 to the District was recorded on March 23, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 66, in that Office, as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1(Village One #2)," recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 80, in that office. A map of Annexation No. 2 to the District was recorded on May 21, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that Office. A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 94, in that Office. A map of Annexation No. 4 to the District was recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 98, in that Office. A map of Annexation No. 5 to the District was recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that Office. A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that Office.

This Map amends the boundary map for Annexation No. 7 to the District, prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 8, in that Office.

Filed this ___ day of_____, 2005, at the hour of ___ o'clock ___.m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s)_____, in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the
County of Stanislaus, State of California

By _____

_____
Print Name

Filed in the Office of the City Clerk of the City of Modesto
this_____ day of_____, 2005.

JEAN ZAHR, City Clerk

By _____

_____
Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 7 to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the_____ day of _____, 2005, by its resolution No._____

JEAN ZAHR, City Clerk

By _____

_____
Print Name

PREPARED FOR:
William Lyon Homes

CERTIFICATE OF REGISTRAR OF VOTERS OF STANISLAUS COUNTY

I, Lee Lundrigan, of the Office of the Registrar of Voters of Stanislaus County, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 7 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On May 16, 2005, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 3 persons registered to vote within the Annexed Territory.

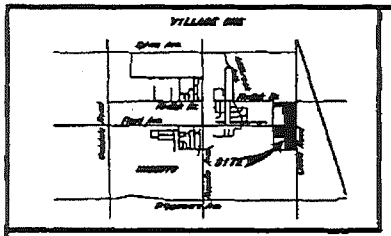
(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF
STANISLAUS COUNTY

By: _____
Lee Lundrigan, Stanislaus County
Clerk-Recorder & Registrar of Voters

May 16, 2005
Date of Execution

Modesto, California
Place of Execution



SIFA ANNEXATION MAP

NOT TO SCALE

GRAPHIC SCALE

200 0 200 400

(in feet)

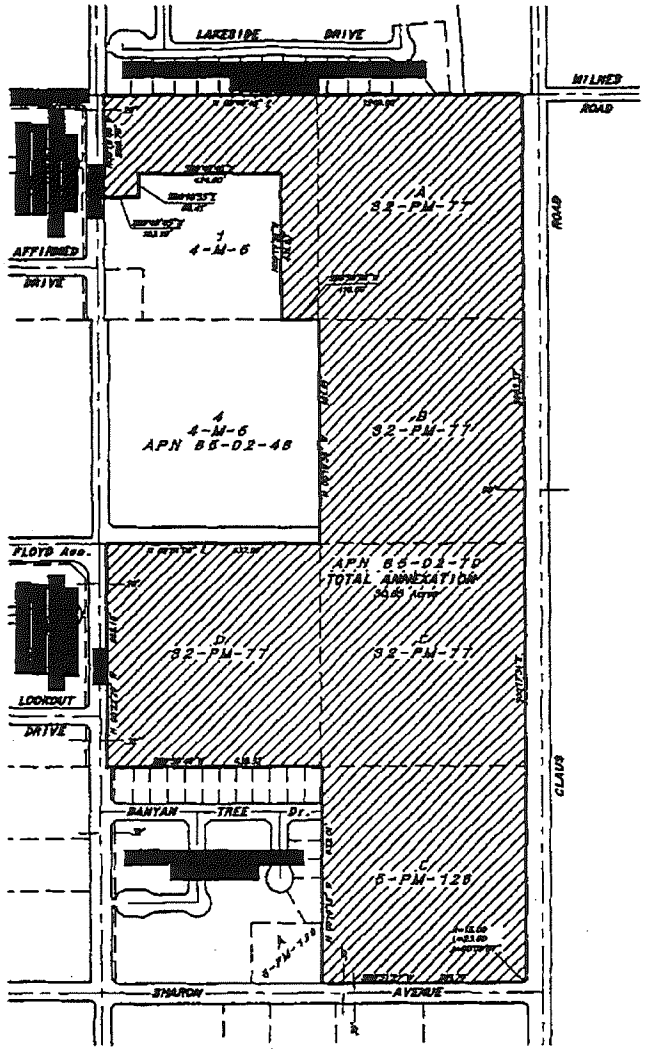
1"=200'

= Property to be annexed

BASIS OF BEARINGS

The bearing of N 89°07'03" W between GPS monuments 2926 and 2927 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.



ANNEXATION MAP NO. 7

OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AS AMENDED CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

SCALE: 1"=200'
APRIL, 2005

JOB No. 05007
SHEET 1 of 1

MID-VALLEY ENGINEERING
1117 "L" STREET
MODESTO, CALIFORNIA, 95354
(209) 526-4214

Filed in the Office of the City Clerk of the City of Modesto this____ day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 7 to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the_____day of _____, 2005, by its resolution No._____.

JEAN ZAHR, City Clerk

By: _____

Print Name

This is an amended map of the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 16, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, in the Office of the County Recorder, of the County of Stanislaus, State of California. A map of Annexation No. 1 to the District was recorded on March 23, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 86, in that Office, as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1(Village One #2)," recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 90, in that office. A map of Annexation No. 2 to the District was recorded on May 21, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that Office. A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 95, in that Office. A map of Annexation No. 4 to the District was recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 98, in that Office. A map of Annexation No. 5 to the District was recorded on October 26, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that Office. A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that Office.
This Map amends the boundary map for Annexation No. 7 to the District, prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 8, in that Office.

Filed this ___ day of_____, 2005, at the hour of ___o'clock___m. in Book ___of Maps of Assessment and Community Facilities Districts at page(s)_____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

PREPARED FOR:
William Lyon Homes

William Lyon Homes
A.P. No.

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 7

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-002-079 (the "Property") being land proposed to be annexed, as Annexation No. 7, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-182 (the "Resolution of Intention to Annex"), adopted on April 26, 2005. The land proposed to be annexed to the District as Annexation No. 7 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 2 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: William Lyon Homes, Inc., a California Corporation.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Tony de Melo as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1117 "L" Street Modesto, CA 95354.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: May 13, 2005

LANDOWNERS: William Lyon Homes, Inc.

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____

By: _____

SFI 1402515v2 47922/29

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA)

On **May 16, 2005** before me, **Krisanne Marie Poulson, Notary Public**, personally appeared, **Jeffrey D. Frankel and Gregory N. Mix**, personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

KRISANNE MARIE POULSON
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 1410499
CONTRA COSTA COUNTY
My Comm. Exp. April 11, 2007

Signature Krisanne Marie Poulson
Krisanne Marie Poulson, Notary Public

Commission #1410499
My Commission Expires on April 11, 2007
Principal County of Business is Contra Costa County

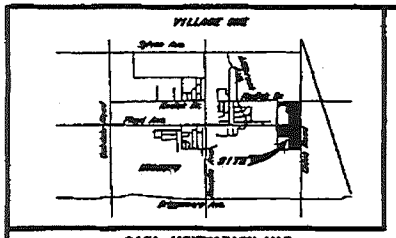
ANNEXATION MAP NO. 7

OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AS AMENDED
CITY OF MODESTO COUNTY OF STANISLAUS
STATE OF CALIFORNIA

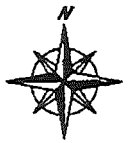
SCALE: 1"=300'
APRIL, 2005

JOB No. 05007
SHEET 1 OF 1

BIG-VALLEY ENGINEERING
1117 "L" STREET
MODESTO, CALIFORNIA, 95354
(209) 529-4214



SIFA ANNEXATION MAP
NOT TO SCALE



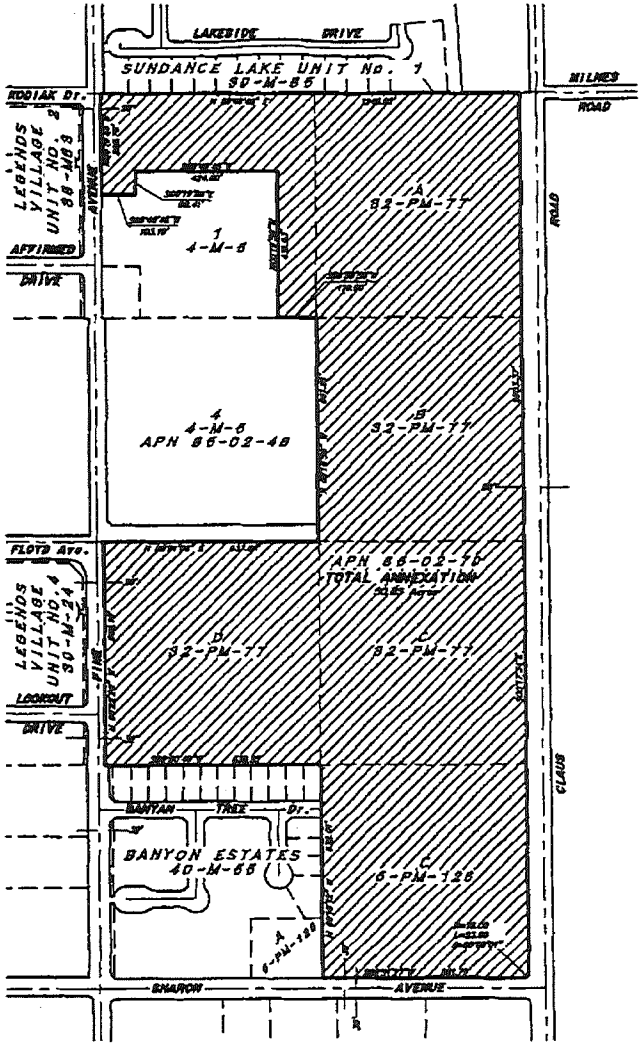
GRAPHIC SCALE
200 0 200 400
(In Feet)
1"=200'

= Property to be annexed

BASIS OF BEARINGS

The bearing of N 89°07'13" W between GPS monuments 2636 and 2637 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 23 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.



Filed in the Office of the City Clerk of the City of Modesto this_____ day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

_____
Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 7 to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the _____ day of _____, 2005, by its resolution No._____.

JEAN ZAHR, City Clerk

By: _____

_____
Print Name

This is an amended map of the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 18, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, in the Office of the County Recorder, of the County of Stanislaus, State of California. A map of Annexation No. 1 to the District was recorded on March 25, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 88, in that Office, as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1(Village One #2)," recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 90, in that office. A map of Annexation No. 2 to the District was recorded on May 21, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that Office. A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96, in that Office. A map of Annexation No. 4 to the District was recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 98, in that Office. A map of Annexation No. 5 to the District was recorded on October 29, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that Office. A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that Office.
This map amends the boundary map for Annexation No. 7 to the District, prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 8, in that Office.

Filed this ____ day of_____, 2005, at the hour of ___o'clock ___m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s)_____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

_____
Print Name

PREPARED FOR:
William Lyon Homes

REVISED
CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 7)," adopted by the City Council of the City of Modesto on April 26, 2005, I have been designated as the election official to conduct the special election described in that Resolution.

3. On 6/9, 2005, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 7. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: June 9, 2005

Place of Execution: Modesto, California

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 1/4/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
William Lyon Homes, Inc.	Tony deMelo Mid-Valley Engineering 1117 L Street Modesto, Ca 95354	1	100%

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 7

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

June 14, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 7, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on June 14, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

SPECIAL TAX ELECTION

June 14, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

SPECIAL TAX ELECTION

June 14, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 51
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 51 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Tony deMelo,** certify as follows:

(1) I am the Authorized Representative of William Lyons, Inc., the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 7 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-079 (the "Parcel"), which comprises approximately 50.85 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-312

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 7)

WHEREAS, this Council did, on April 26, 2005, adopt its Resolution No. 2005-182 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, the Annexed Territory will be annexed and subject to the taxes in Tax Zone #2, and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on May 5, 2005, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 12; and

WHEREAS, at the time and date set for the hearing (June 14, 2005) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all

matters related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 14th day of June 2005. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the

District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681) and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th of June 2005, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Dunbar

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: [signature]
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

SPECIAL TAX ELECTION

SECTION 12. June 14, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 14, 2005, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Jeff Norman, Modesto Covenant

City Clerk's Announcements: Item 3, 4, 5 and 7 removed from Consent

Declaration of Conflicts of Interest: Councilmember Hawn-Item 6
Councilmember Keating - Item 10

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 1 through 7

ACTION Consent Items 1, 2, 6: Dunbar/Jackman; unan.

Councilmember Dunbar left the meeting.

ACTION Item 3: Jackman/Keating; unan. Dunbar absent

ACTION Item 4: O'Bryant/Jackman; unan. Dunbar absent

ACTION Item 5: Hawn/O'Bryant; unan. Dunbar absent

ACTION Item 7: O'Bryant/Hawn; unan. Dunbar absent

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
1. Consider approval of the minutes of the regular City Council meeting of June 7, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Dunbar/Jackman; unan.) approved the minutes of June 7, 2005.

CONSENT
2. Consider requiring Candidates to pay a deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot.
· Resolution requiring Candidates to pay a $500 deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot recommended.
Clerk; Jean Zahr, 577-5396, jzahr@modestogov.com

ACTION: Resolution 2005-305 (Dunbar/Jackman; unan.) requiring Candidates to pay a $500 deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot.

Removed from Consent
3. Consider authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.
· Resolution authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-306 (Jackman/Keating; unan. Dunbar absent) authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.

Removed from Consent
4. Consent approving Health Benefit Changes for Unrepresented Employees for FY 05-06 and 06-07.
· Resolution authorizing increases in the City's contributions for health, dental and vision benefits for unrepresented Management and Confidential employees for FY 05-06 and FY 06-07 recommended.
· Resolution amending the FY 05-06 Operating Budget to transfer $17,500 from the General Fund Reserve and $8,500 from other Fund reserves to various health benefit accounts recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-307 (O'Bryant/Jackman; unan. Dunbar absent) authorizing increases in the City's contributions for health, dental and vision benefits for unrepresented Management and Confidential employees for FY 05-06 and FY 06-07.

ACTION: Resolution 2005-308 (O'Bryant/Jackman; unan. Dunbar absent) amending the FY 05-06 Operating Budget to transfer $17,500 from the General Fund Reserve and $8,500 from other Fund reserves to various health benefit accounts.

Removed from Consent
5. Consider appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005.
· Resolution appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005 recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-309 (Hawn/O'Bryant; unan. Dunbar absent) appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005.

Councilmember Hawn absent due to Conflict of Interest
6. Consider approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is a transfer from CFF Street for the City's Matching Funds budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State."
· Resolution approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State" recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-310 (Jackman/Dunbar; unan. Hawn, absent) approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State."

Removed from Consent
7. Consider amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent.
· Resolution amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent recommended.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2005-311 (O'Bryant/Hawn; unan; Dunbar absent) amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent.

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

8. Consider amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election.
· Motion introducing an Ordinance amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election recommended.
City Attorney's Office; Mike Milich; 577-5322, mmilich@modestogov.com

ACTION: By Motion (Keating/Hawn; majority Jackman and Marsh no, Dunbar absent) **introducing Ordinance No. 3391-C.S.** amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election.

HEARINGS

9. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7); and canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-312 (Hawn/Keating; unan. Dunbar absent) consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7).

ACTION: Resolution 2005-313 (Hawn/Keating; unan. Dunbar absent) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

10. Hearing to consider amending Section 10-2.505 of the Modesto Municipal Code and establishing an annual fee for Home Business Permits.
· Motion introducing an ordinance amending Section 10-2.505 of Article 5 of Chapter 2 of Title 10 of the Modesto Municipal Code, relating to Low Density Residential Zone (R-1) Home Business recommended.
· Resolution establishing an annual fee for Home Business Permits recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: By Motion (O'Bryant/Marsh; majority Hawn and Jackman no, Dunbar absent) to send this item to the Safety and Communities Committee.

NEW BUSINESS

11. Consider directing staff to initiate a Managed Competition process for Forestry services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA; and authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services.
· Motion directing staff to initiate a Managed Competition process for Forestry Services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA recommended.
· Resolution authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services recommended.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: By Motion (Hawn/Jackman; majority O'Bryant no and Dunbar absent) directed staff to initiate a Managed Competition process for Forestry Services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA.

ACTION: Resolution 2005-314 (Hawn/O'Bryant no and Dunbar absent) authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services including a request to MID for a combined service.

12. Consider approving a multi-year MOU between the City of Modesto and the Modesto Police Management Association (MPMA), and amending the FY 05-06 Budget.
· Resolution approving a Memorandum of Understanding between the City of Modesto and MPMA for the term of June 28, 2005 through June 22, 2009. Resolution approving the Class Range Table for MPMA.
· Resolution amending the FY 05-06 Operating Budget to transfer $122,800 from various Fund reserves to the Police Department Operating Budget
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-315 (Marsh/Jackman; unan. Dunbar absent) approving a Memorandum of Understanding between the City of Modesto and MPMA for the term of June 28, 2005 through June 22, 2009.

ACTION: Resolution 2005-316 (Marsh/Jackman; unan. Dunbar absent) approving the Class Range Table for MPMA.

ACTION: Resolution 2005-317 (Marsh/Jackman; unan. Dunbar absent) amending the FY 05-06 Operating Budget to transfer $122,800 from various Fund reserves to the Police Department Operating Budget.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:00 p.m.

CLOSED SESSION

Closed session heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

RECEIVED

JUN 10 2005

MODESTO CITY CLERK

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 7

SPECIAL TAX ELECTION

June 14, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 51
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 51 VOTES

RECEIVED

N 1 0 2005

MODESTO CITY CLERK

AUTHORIZATION
(BALLOT NO. 1)

I, **Tony deMelo,** certify as follows:

(1) I am the Authorized Representative of William Lyons, Inc., the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 7 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-079 (the "Parcel"), which comprises approximately 50.85 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 06/09/, 2005 at MODESTO, CALIFORNIA.

Tony deMelo

Signature of Authorized Representative (Voter)

3425 ARISTIDES DRIVE
MODESTO, CA. 95355

Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-313

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE JUNE 14, 2005, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 7)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted on April 26, 2005, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

WHEREAS, the owner of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2005-312, adopted on June 14, 2005, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for June 14, 2005, or as soon after there as practicable, relative to the foregoing; and

WHEREAS, on June 14, 2005, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2005-182 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of June 2005, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Dunbar

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-312, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 7) adopted on April 26, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on June 14, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 5 NO 0

Jean Zahr
City Clerk of the City of Modesto

Dated: June 17, 2005

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-312, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 7) adopted on April 26, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on June 14, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 7)" adopted by the City Council of the City of Modesto on April 26, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 51 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: June 17, 2005

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 14, 2005, at 5:30 p.m.

Roll Call - Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Jeff Norman, Modesto Covenant

City Clerk's Announcements: Item 3, 4, 5 and 7 removed from Consent

Declaration of Conflicts of Interest: Councilmember Hawn-Item 6
Councilmember Keating - Item 10

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 1 through 7

ACTION Consent Items 1, 2, 6: Dunbar/Jackman; unan.

Councilmember Dunbar left the meeting.

ACTION Item 3: Jackman/Keating; unan. Dunbar absent

ACTION Item 4: O'Bryant/Jackman; unan. Dunbar absent

ACTION Item 5: Hawn/O'Bryant; unan. Dunbar absent

ACTION Item 7: O'Bryant/Hawn; unan. Dunbar absent

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
1. Consider approval of the minutes of the regular City Council meeting of June 7, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Dunbar/Jackman; unan.) approved the minutes of June 7, 2005.

CONSENT
2. Consider requiring Candidates to pay a deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot.
· Resolution requiring Candidates to pay a $500 deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot recommended.
Clerk; Jean Zahr, 577-5396, jzahr@modestogov.com

ACTION: Resolution 2005-305 (Dunbar/Jackman; unan.) requiring Candidates to pay a $500 deposit for the Candidate Statement at the time of filing their nomination papers, and pay the cost of printing their Candidate Statement in the sample ballot.

Removed from Consent
3. Consider authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.
· Resolution authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-306 (Jackman/Keating; unan. Dunbar absent) authorizing the sale and issuance of special tax bonds on behalf of City of Modesto CFD No. 2003-1 (Fairview Village), approving documents relating thereto and authorizing and directing certain related actions.

Removed from Consent
4. Consent approving Health Benefit Changes for Unrepresented Employees for FY 05-06 and 06-07.
· Resolution authorizing increases in the City's contributions for health, dental and vision benefits for unrepresented Management and Confidential employees for FY 05-06 and FY 06-07 recommended.
· Resolution amending the FY 05-06 Operating Budget to transfer $17,500 from the General Fund Reserve and $8,500 from other Fund reserves to various health benefit accounts recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-307 (O'Bryant/Jackman; unan. Dunbar absent) authorizing increases in the City's contributions for health, dental and vision benefits for unrepresented Management and Confidential employees for FY 05-06 and FY 06-07.

ACTION: Resolution 2005-308 (O'Bryant/Jackman; unan. Dunbar absent) amending the FY 05-06 Operating Budget to transfer $17,500 from the General Fund Reserve and $8,500 from other Fund reserves to various health benefit accounts.

Removed from Consent
5. Consider appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005.
· Resolution appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005 recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-309 (Hawn/O'Bryant; unan. Dunbar absent) appropriating $110,000 from the General Fund Reserve to Organization 1605 in order to fully fund electrical utility costs for the remainder of Fiscal Year 2004/2005.

Councilmember Hawn absent due to Conflict of Interest
6. Consider approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is a transfer from CFF Street for the City's Matching Funds budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State."
· Resolution approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State" recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-310 (Jackman/Dunbar; unan. Hawn, absent) approving the plans and specifications, awarding the bid, and approving a $294,860 construction contract with Collins Electrical for the project entitled, "Traffic Signal Modifications at 4 Locations: 9th /G Streets, 9th/H Streets, 9th/J Streets, and Yosemite Boulevard/La Loma Avenue, and authorizing the City Manager to execute the contract agreement. The capital cost of the project will be $359,730. The CMAQ grants will cover $318,469. The remaining $41,261 is budgeted in Account No. 2300-160-E633, "Five Traffic Signal Modifications-State."

Removed from Consent
7. Consider amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent.
· Resolution amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent recommended.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2005-311 (O'Bryant/Hawn; unan; Dunbar absent) amending the Classification Plan to reallocate the position of Water Quality Control Operations Supervisor to the position of Water Quality Control Superintendent, eliminate a vacant Senior Wastewater Treatment Plant Operator position and revise the Job Specification for Water Quality Control Superintendent.

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

8. Consider amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election.
· Motion introducing an Ordinance amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election recommended.
City Attorney's Office; Mike Milich; 577-5322, mmilich@modestogov.com

ACTION: By Motion (Keating/Hawn; majority Jackman and Marsh no, Dunbar absent) **introducing Ordinance No. 3391-C.S.** amending Section 2-8.01 of the Modesto Municipal Code increasing the amount of campaign contributions over the prior 48 months that triggers a conflict of interest from $1,000 to $3,000, clarifying that campaign contributions received by councilmembers in connection with their candidacy for any other elective office do not count towards the $3,000 limit, and eliminating the limitation on contributions in the week preceding the election.

HEARINGS

9. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7); and canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-312 (Hawn/Keating; unan. Dunbar absent) consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 7).

ACTION: Resolution 2005-313 (Hawn/Keating; unan. Dunbar absent) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

10. Hearing to consider amending Section 10-2.505 of the Modesto Municipal Code and establishing an annual fee for Home Business Permits.
· Motion introducing an ordinance amending Section 10-2.505 of Article 5 of Chapter 2 of Title 10 of the Modesto Municipal Code, relating to Low Density Residential Zone (R-1) Home Business recommended.
· Resolution establishing an annual fee for Home Business Permits recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: By Motion (O'Bryant/Marsh; majority Hawn and Jackman no, Dunbar absent) to send this item to the Safety and Communities Committee.

NEW BUSINESS

11. Consider directing staff to initiate a Managed Competition process for Forestry services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA; and authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services.
· Motion directing staff to initiate a Managed Competition process for Forestry Services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA recommended.
· Resolution authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services recommended.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: By Motion (Hawn/Jackman; majority O'Bryant no and Dunbar absent) directed staff to initiate a Managed Competition process for Forestry Services and begin "Meet and Confer" process on impacts/processes with MCEA and MCMA.

ACTION: Resolution 2005-314 (Hawn/O'Bryant no and Dunbar absent) authorizing the Public Works Department to issue a formal Request for Qualifications/Request for Proposals (RFQ/RFP) for Forestry Services including a request to MID for a combined service.

12. Consider approving a multi-year MOU between the City of Modesto and the Modesto Police Management Association (MPMA), and amending the FY 05-06 Budget.
· Resolution approving a Memorandum of Understanding between the City of Modesto and MPMA for the term of June 28, 2005 through June 22, 2009. Resolution approving the Class Range Table for MPMA.
· Resolution amending the FY 05-06 Operating Budget to transfer $122,800 from various Fund reserves to the Police Department Operating Budget
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2005-315 (Marsh/Jackman; unan. Dunbar absent) approving a Memorandum of Understanding between the City of Modesto and MPMA for the term of June 28, 2005 through June 22, 2009.

ACTION: Resolution 2005-316 (Marsh/Jackman; unan. Dunbar absent) approving the Class Range Table for MPMA.

ACTION: Resolution 2005-317 (Marsh/Jackman; unan. Dunbar absent) amending the FY 05-06 Operating Budget to transfer $122,800 from various Fund reserves to the Police Department Operating Budget.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:00 p.m.

CLOSED SESSION

Closed session heard prior to the Council meeting.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One case.

Recording requested by and
when recorded, please return to:

Jean Zahr, City Clerk
City of Modesto
1010 - 10th Street
Modesto, California 95353

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2005-0114899-00
Wednesday, JUN 29, 2005 16:10:37
Ttl Pd $0.00 Nbr-0001820413
ORS/R2/1-3

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN (NOTICE OF ANNEXATION NO. 7)

CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on June 14, 2005. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien..

Notice is further given that, as a result of this annexation (Annexation No. 7), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 7), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-002-079	William Lyon Homes, Inc.

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on May 5, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 12, in the Office of the County Recorder of the County of Stanislaus, State of California (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 9, in that office).

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 11/30/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

Dated: June 28, 2005

Jean Zahr
Jean Zahr
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 6-28-2005 before me, Esther Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-320

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 8)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village

One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99; and the map entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2; and the map entitled "Annexation Map No. 6 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7; and the map entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 (Village One #2), As Amended," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 12.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 8 of Community Facilities District No. 2004-1 (Village One #2), of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110 and 3110.5 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, August 9, 2005, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of

general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 28th day of June 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Marsh

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

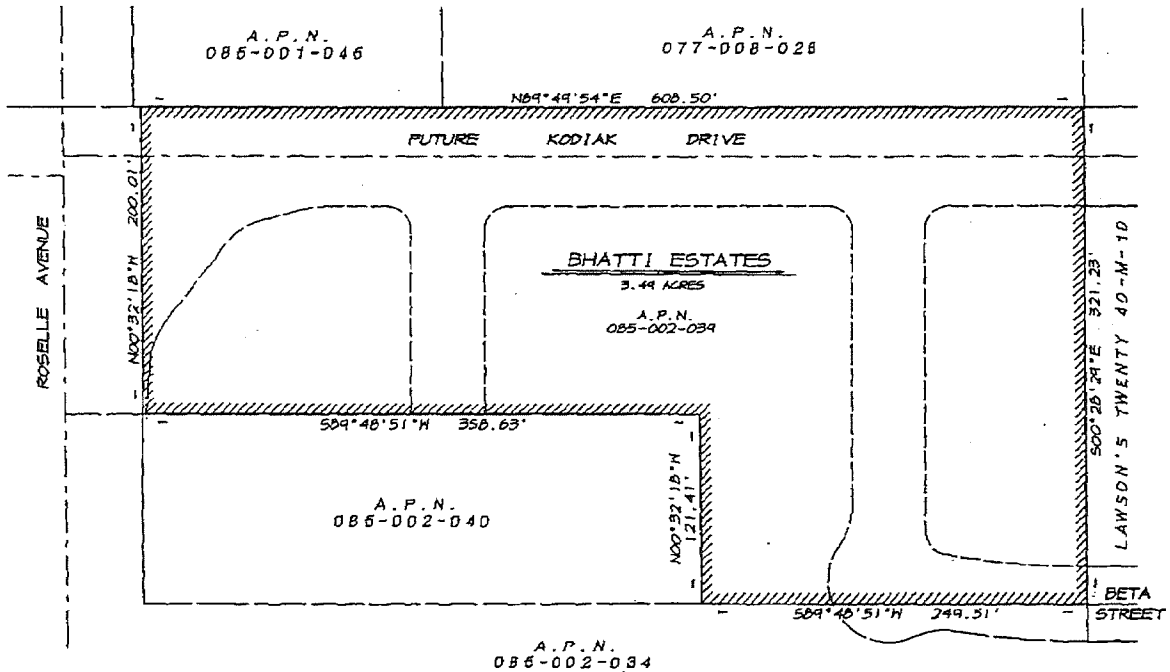
EXHIBIT A

ANNEXATION NO. 8 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map

ANNEXATION MAP NO.8 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-01
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



BASIS OF BEARINGS

THE BEARING OF SOUTH 00°49'00" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO. 2627 AND GPS MONUMENT NO. 2527 AS SHOWN ON VOL. 22 OF SURVEYS AT PAGE 31, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.9999290711) TO OBTAIN GRID DISTANCES. BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (A). - SEE THIS SHEET (LEFT) FOR DETAIL OF CALIF. STATE PLANE COORDINATE TIES.

GRAPHIC SCALE

50 0 50 100

1 INCH = 50 FT.

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

ASSOCIATED ENGINEERING GROUP, INC.
1368 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95355
PH: (209) 549-2345 • FAX: (209) 549-3673

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO.8 OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____DAY OF _____, 2005, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO.1 TO THE DISTRICT WAS RECORDED ON MARCH 29, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 66, IN THAT OFFICE, (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 90, IN THAT OFFICE). A MAP OF ANNEXATION NO.2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP OF ANNEXATION NO 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE. A MAP OF ANNEXATION NO.4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE. A MAP OF ANNEXATION NO.5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE (WHICH AMENDED THE MAP OF ANNEXATION NO.7 PRIOR RECORDED IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 9, IN THAT OFFICE).

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS ____ DAY OF _____, 2005, AT THE HOUR OF ____ O'CLOCK ___.M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S)_____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

ANNEXATION MAP No. 8 OF COMMUNITY FACILITES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

DESCRIPTION

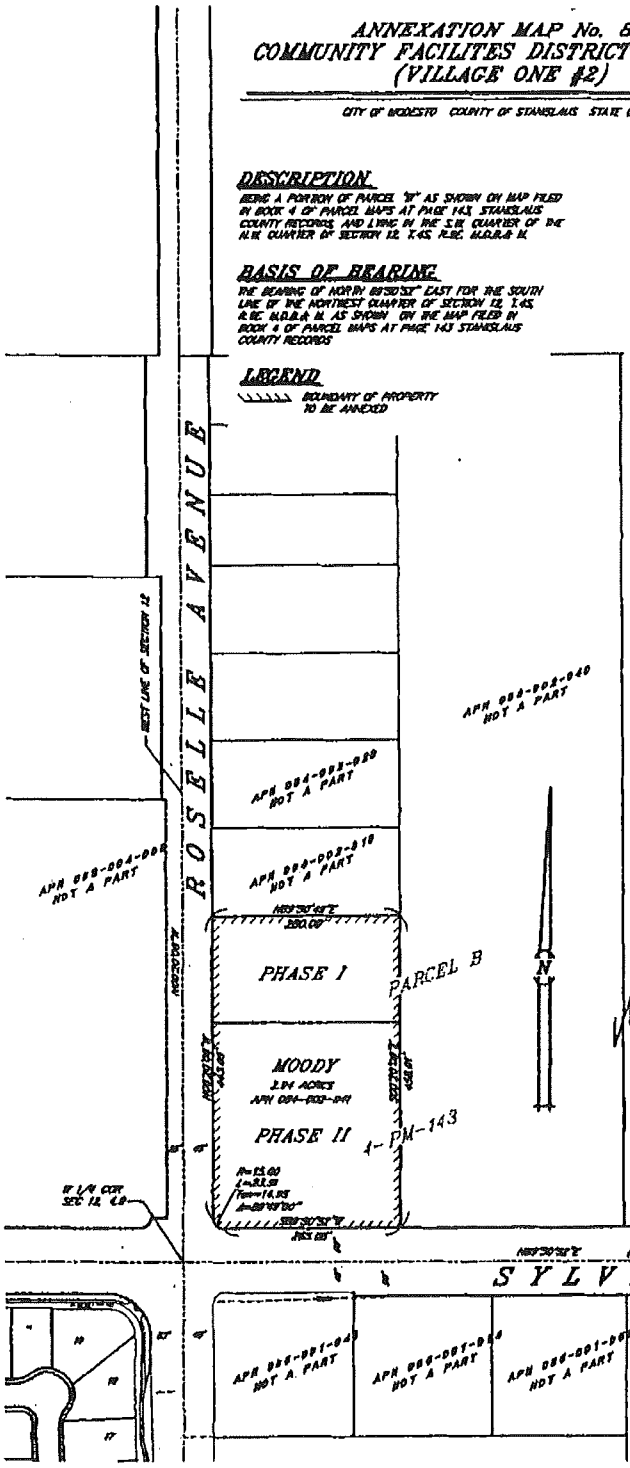
BEING A PORTION OF PARCEL "B" AS SHOWN ON MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143, STANISLAUS COUNTY RECORDS, AND LYING IN THE S.W. QUARTER OF THE N.W. QUARTER OF SECTION 12, T.4S, R.9E, M.D.B.& M.

BASIS OF BEARING

THE BEARING OF NORTH 88°50'52" EAST FOR THE SOUTH LINE OF THE NORTHEST QUARTER OF SECTION 12, T.4S, R.9E, M.D.B.& M. AS SHOWN ON THE MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143 STANISLAUS COUNTY RECORDS

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO 8 TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 86, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 87, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THAT OFFICE AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO.1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) RECORDED ON MAY 16, 2004 IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 89 IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 90, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 28, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 3, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE. (WHICH AMENDED THE MAP OF ANNEXATION NO. 7 PRIOR RECORDED IN BOOK 4 OF, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 8, IN THAT OFFICE.)

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDVIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

PRINT NAME

SCALE: 1"=100'

EXHIBIT 2

SHEET 2 OF 2	HAWKINS & ASSOCIATES ENGINEERING 435 MITCHELL RD. MODESTO, CA. 95354 PH (209) 575 - 4285 FAX (209) 578 - 4255	ANNEXATION MAP NO. 8 COMMUNITY FACILITES DISTRICT NO. 2004-1 (VILLAGE ONE NO.2) MODESTO, CA	BY: GH CHK: GL DATE: MARCH 2005 SCALE: 1" = 100' JOB #: 2002A_TPM

RODRICK H. HAWKINS R.C.E. 50188
CROLIE E. LINDBAY R.C.E. 51900
L.S. 4709

SYM	DATE	DESCRIPTION	APVD
	5-16-05	ADDED "EXHIBIT 2"	
	5-22-05	REVISED WITH COMMENTS	

T:\2002\2002A\Mapping\Tentative Map\2002A TPM.dwg 6/22/2005 8:39:16 AM PDT

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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City Council Calendar

City Council's Home Page

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 28, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, O'Bryant, Mayor Ridenour

Absent: Marsh

Pledge of Allegiance to the Flag

Invocation: Chuck Adams, The Carpenter's House

City Clerk's Announcements: *Items 4B, 8, 10, 12, 13, 14, 15 and 19 removed from Consent.*
Items 20 and 23 removed from Agenda.

Declaration of Conflicts of Interest Hawn - Item 28

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of the Modesto Fire Department's ISO Rating.

ACTION: Presentation made by Fire Chief Jim Miguel

2. Presentation by the Modesto Fire Department of 4th of July weekend response to illegal fireworks campaign.

ACTION: Presentation made by Fire Marshal Mike Payton

ORAL COMMUNICATIONS
Three minute time limit per speaker

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 22

ACTION: Jackman/Hawn; unan. Marsh absent

ACTION Consent: 4B: Keating/O'Bryant; majority; Dunbar, Jackman no; Marsh absent
ACTION Consent: 8: Jackman/Dunbar; majority Keating no Marsh absent
ACTION Consent: 10: Jackman/Hawn; unan. Marsh absent
ACTION Consent: 12: Keating/Jackman; unan. Marsh absent
ACTION Consent: 13: Jackman/Dunbar; unan. Marsh absent
ACTION Consent: 14: Jackman/Dunbar; unan. Marsh absent
ACTION Consent: 15: Jackman/Dunbar; unan. Marsh absent
ACTION Consent: 19: O'Bryant/Keating; unan. Marsh absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of June 14, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn unan. Marsh absent) approved the minutes of June 14, 2005.

CONSENT
4. Consider approving final adoption of the following:

A. Ordinance No. 3389-C.S. amending Section 8-3.206 of the Modesto Municipal Code relating to Central Purchasing-Preference to Local Merchants.
· Motion approving final adoption of Ordinance No. 3389-C.S. amending Section 8-3.206 of the Modesto Municipal Code relating to Central Purchasing-Preference to Local Merchants recommended.

ACTION: By Motion (Jackman/Hawn; unan. Marsh absent) approved the **final adoption of Ordinance No. 3389-C.S.** amending Section 8-3.206 of the Modesto Municipal Code relating to Central Purchasing-Preference to Local Merchants.

This item removed from Consent.
B. Ordinance 3391-C.S. amending the Section 2-8.01 of the Modesto Municipal Code and repealing Section 2-8.03 of the Modesto Municipal Code relating to campaign reform (Tin Cup).
· Motion approving final adoption of Ordinance 3391-C.S. amending the Section 2-8.01 of the Modesto Municipal Code and repealing Section 2-8.03 of the Modesto Municipal Code relating to campaign reform (Tin Cup) recommended.

ACTION: By Motion (Keating/O'Bryant; majority; Dunbar, Jackman no; Marsh absent) approved the **final adoption of Ordinance 3391-C.S.** amending the Section 2-8.01 of the Modesto Municipal Code and repealing Section 2-8.03 of the Modesto Municipal Code relating to campaign reform (Tin Cup) recommended.

CONSENT
5. Consider accepting with regret the resignation of David L. Gianelli from the Tuolumne River Regional Park Citizens Advisory Committee.

· Resolution accepting with regret the resignation of David L. Gianelli from the Tuolumne River Regional Park Citizens Advisory Committee recommended.
City Manager's Office; Esther Puckett, 571-5101, epuckett@modestogov.com

ACTION: Resolution 2005-318 (Jackman/Hawn; unan. Marsh absent) accepted with regret the resignation of David L. Gianelli from the Tuolumne River Regional Park Citizens Advisory Committee.

CONSENT
6. Consider authorizing the District Administrator to execute an Acquisition and Shortfall Agreement between Community Facilities District No. 2004-1 and Hashem Naraghi, trustee of the Nora Naraghi separate property trust and Centex Homes with a maximum reimbursement amount of $314,899.00 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181).
· Resolution authorizing the District Administrator to execute an Acquisition and Shortfall Agreement between Community Facilities District No. 2004-1 and Hashem Naraghi, trustee of the Nora Naraghi separate property trust and Centex Homes with a maximum reimbursement amount of $314,899.00 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181) recommended.
City Manger; Amy Gedney, 571-5501, agedney@modestogov.com

ACTION: Resolution 2005-319 (Jackman/Hawn; unan. Marsh absent) authorized the District Administrator to execute an Acquisition and Shortfall Agreement between Community Facilities District No. 2004-1 and Hashem Naraghi, trustee of the Nora Naraghi separate property trust and Centex Homes with a maximum reimbursement amount of $314,899.00 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181) recommended.

CONSENT
7. Consider annexation of additional territory to City of Modesto Community Facilities District 2004-1 (Village One #2) (Annexation #8) --Bhatti Estates and Sylvan Vet Clinic (Moody)
· Resolution annexation of additional territory to City of Modesto Community Facilities District 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation #8) recommended.
City Manger; Amy Gedney, 571-5501, agedney@modestogov.com

ACTION: Resolution 2005-320 (Jackman/Hawn; unan. Marsh absent) approved the annexation of additional territory to City of Modesto Community Facilities District 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation #8).

This item removed from Consent.
8. Consider approving the third contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $55,000; and authorizing the City Manager to execute said amendment.
· Resolution approving the third contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $55,000; and authorizing the City Manager to execute said amendment recommended.
Community & Economic Development; Laurie A. Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 2005-321 (Jackman/Dunbar; majority Keating no Marsh absent) approved.the third contract amendment for Micahlynn Rivera, Web Consultant for Community & Economic Development, in an amount not to exceed $55,000; and authorizing the City Manager to execute said amendment.

CONSENT
9. Consider approving two annual contracts with the Modesto Bee (McClatchy Newspaper Group) to coincide with the fiscal year calendar, consisting of one for a 500-column-inch "no-commitment" advertising rate, and one for a " 12X commitment" business-package advertising plan "D", and authorizing the City Manager to execute both contracts.
· Resolution approving two annual contracts with the Modesto Bee (McClatchy Newspaper Group) to coincide with the fiscal year calendar, consisting of one for a 500-column-inch "no-commitment" advertising rate, and one for a " 12X commitment" business-package advertising plan "D", and authorizing the City Manager to execute both contracts recommended.
Finance; Mark L. Averell, 577-5412, maverell@modestogov.com

ACTION: Resolution 2005-322 (Jackman/Hawn; unan. Marsh absent) approved. two annual contracts with the Modesto Bee (McClatchy Newspaper Group) to coincide with the fiscal year calendar, consisting of one for a 500-column-inch "no-commitment" advertising rate, and one for a " 12X commitment" business-package advertising plan "D", and authorizing the City Manager to execute both contracts.

This item removed from Consent.
10. Consider approving the Monthly Budget Adjustment Report - June 2005
· Resolution approving the Monthly Budget Adjustment Report - June 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-323 (Jackman/Hawn; unan. Marsh absent) approved the Monthly Budget Adjustment Report - June 2005.

CONSENT
11. Consider approving a grant application for $100,000 to the San Joaquin Air Quality Control District's REMOVE II grant for the bike trail at the Virginia Corridor - Phase III.
· Resolution approving a grant application for $100,000 to the San Joaquin Air Quality Control District's REMOVE II grant for the bike trail at the Virginia Corridor - Phase III recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2005-324 (Jackman/Hawn; unan. Marsh absent) approved a grant application for $100,000 to the San Joaquin Air Quality Control District's REMOVE II grant for the bike trail at the Virginia Corridor - Phase III.

This item removed from Consent.
12. Consider approving a professional services agreement with Market Place Media to work with the City to develop and implement a marketing plan for program sponsorship and presentation sponsors for the City's parks, programs and facilities.
· Resolution approving a professional services agreement with Market Place Media to work with the City to develop and implement a marketing plan for program sponsorship and presentation sponsors for the City's parks, programs and facilities, and authorizing the City Manager to sign the Agreement recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2005-325 (Keating/Jackman; unan. Marsh absent) approved a professional services agreement with Market Place Media to work with the City to develop and implement a marketing plan for program sponsorship and presentation sponsors for the City's parks, programs and facilities, and authorizing the City Manager to sign the Agreement.

This item removed from Consent.
13. Consider approving an agreement with the McHenry Museum & Historical Society to provide funding for the Gift Store Manager for the McHenry Museum Gift Shop.
· Resolution approving an agreement with the McHenry Museum & Historical Society to provide funding for the Gift Store Manager for the McHenry Museum Gift Shop recommended.
Parks, Recreation & Neighborhoods; Wayne Mathes, 652-6060, wmathes@modestogov.com

ACTION: Resolution 2005-326 (Jackman/Dunbar; unan. Marsh absent) approved an agreement with the McHenry Museum & Historical Society to provide funding for the Gift Store Manager for the McHenry Museum Gift Shop.

This item removed from Consent.
14. Consider approving an agreement with the McHenry Mansion Foundation to provide funding for the Gift Store Manager for the McHenry Mansion Gift Shop.
· Resolution approving an agreement with the McHenry Mansion Foundation to provide funding for the Gift Store Manager for the McHenry Mansion Gift Shop recommended.
Parks, Recreation & Neighborhoods; Wayne Mathes, 652-6060, wmathes@modestogov.com

ACTION: Resolution 2005-327 (Jackman/Dunbar; unan. Marsh absent) approved an agreement. with the McHenry Mansion Foundation to provide funding for the Gift Store Manager for the McHenry Mansion Gift Shop.

This item removed from Consent
15. Consider amending Resolution No. 2004-283 to provide that the policy of dedicating $1.00 per round of golf to the Golf Fund reserve for capital improvements shall be suspended during Fiscal Year 2004-2005.
· Resolution amending Resolution No. 2004-283 to provide that the policy of dedicating $1.00 per round of golf to the Golf Fund reserve for capital improvements shall be suspended during Fiscal Year 2004-2005 recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2005-328 (Dunbar/Keating; unan. Marsh absent) approved amending Resolution No. 2004-283 to provide that the policy of dedicating $1.00 per round of golf to the Golf Fund reserve for capital improvements shall be suspended during Fiscal Year 2004-2005.

CONSENT
16. Consider approving the prioritization list for the Capital Improvement Program ("CIP") projects remaining to be constructed in the Carver-Bangs/Pelandale-Snyder Community Facilities District ("CBPS CFD").
· Resolution approving the prioritization list for the Capital Improvement Program ("CIP") projects remaining to be constructed in the Carver-Bangs/Pelandale-Snyder Community Facilities District ("CBPS CFD") recommended.
Public Works; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2005-329 (Jackman/Hawn; unan. Marsh absent) approved the prioritization list for the Capital Improvement Program ("CIP") projects remaining to be constructed in the Carver-Bangs/Pelandale-Snyder Community Facilities District ("CBPS CFD").

CONSENT
17. Consider approving the plans and specifications for the Scenic Drive Bus Turnout Project, accepting the bid and approving a $77,812.00 contract with BDS Construction, Inc., for the project titled, "Scenic Drive Bus Turnout Project," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $115,674, which includes construction contingency, construction administration, and engineering design.
· Resolution approving the plans and specifications for the Scenic Drive Bus Turnout Project, accepting the bid and approving a $77,812.00 contract with BDS Construction, Inc., for the project titled, "Scenic Drive Bus Turnout Project," and authorizing the City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005- 330 (Jackman/Hawn; unan. Marsh absent) approved the plans and specifications for the Scenic Drive Bus Turnout Project, accepting the bid and approving a $77,812.00 contract with BDS Construction, Inc., for the project titled, "Scenic Drive Bus Turnout Project," and authorizing the City Manager to execute the contract.

CONSENT
18. Consider approving and adopting the Water System Hydraulic Modeling Project and the Final Draft of the Associated System Analysis Report (HMP Report).
· Resolution approving and adopting the Water System Hydraulic Modeling Project and the Final Draft of the Associated System Analysis Report (HMP Report) recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2005-331 (Jackman/Hawn; unan. Marsh absent) approved and adopted the Water System Hydraulic Modeling Project and the Final Draft of the Associated System Analysis Report (HMP Report)

This item removed from Consent
19. Consider accepting the Northern San Joaquin Valley Regional Water Reclamation Feasibility Study Report and authorizing City staff to apply for subsequent grants, and authorizing the City Manager to execute applications related to such grants on behalf of the City; and consider amending the original Agreement with Raines, Melton & Carella, Inc., now RMC Water and Environment, for additional work provided in the amount of $17,869.49 and authorizing the City Manager to execute said Amendment to Agreement.
· Resolution accepting the Northern San Joaquin Valley Regional Water Reclamation Feasibility Study Report and authorizing City staff to apply for subsequent grants, and authorizing the City Manager to execute applications related to such grants on behalf of the City recommended.
· Resolution amending the original agreement with Raines, Melton & Carella, Inc., now RMC Water and Environment, for additional work provided in the amount of $17,869.49 and authorizing the City Manager to execute said Amendment to Agreement recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2005-332 (O'Bryant/Keating; unan. Marsh absent) accepting the Northern San Joaquin Valley Regional Water Reclamation Feasibility Study Report

and authorizing City staff to apply for subsequent grants, and authorizing the City Manager to execute applications related to such grants on behalf of the City.

ACTION: Resolution 2005-333 (O'Bryant/Keating; unan. Marsh absent) amending the original agreement with Raines, Melton & Carella, Inc., now RMC Water and Environment, for additional work provided in the amount of $17,869.49 and authorizing the City Manager to execute said Amendment to Agreement.

This item is moved to July 5, 2005
20. Consider approving an amendment to an engineering services agreement with the URS Corporation, in the amount of $15,000 to support the procurement of an Automatic Vehicle Location (AVL) system for Modesto Area Express (MAX) and authorizing the City Manager, or his designee, to execute the agreement amendment on behalf of the City, and consider authorizing the issuance of a Request for Proposals (RFP) to furnish and install an Automatic Vehicle Location (AVL) system for the Modesto Area Express (MAX) bus service.
· Resolution approving an amendment to an engineering services agreement with the URS Corporation, in the amount of $15,000 to support the procurement of an Automatic Vehicle Location (AVL) system for Modesto Area Express (MAX) and authorizing the City Manager, or his designee, to execute the agreement amendment on behalf of the City recommended.
· Resolution authorizing the issuance of a Request for Proposals (RFP) to furnish and install an Automatic Vehicle Location (AVL) system for the Modesto Area Express (MAX) bus service recommended.
Public Works; Fred Cavanah, 577-5295, fcavanah@modestogov.com

CONSENT
21. Consider reallocating one Associate Civil Engineer position in Org 5015, Capital Planning section of the Public Works Department, to the position of Senior Civil Engineer.
· Resolution reallocating one Associate Civil Engineer position in Org 5015, Capital Planning section of the Public Works Department, to the position of Senior Civil Engineer recommended.
Public Works; Peter Cowles, 577-5213, pcowles@modestogov.com

ACTION: Resolution 2005-334 (Jackman/Hawn; unan. Marsh absent) reallocating one Associate Civil Engineer position in Org 5015, Capital Planning section of the Public Works Department, to the position of Senior Civil Engineer.

CONSENT
22. Consider approving the final map of the Evergreen Subdivision in the Coffee Claratina Specific Plan Area, authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code (owners: Valley Ventures IV, LLC, a California Limited Liability Company, Meritage Homes of California, Inc., a California Corporation, BFC Properties, a California Corporation, and Berberian Properties, LLC, a California Limited Liability Company).
· Resolution approving the final map of the Evergreen Subdivision in the Coffee Claratina Specific Plan Area, authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code (owners: Valley Ventures IV, LLC, a California Limited Liability Company, Meritage Homes of California, Inc., a California Corporation, BFC Properties, a California Corporation, and Berberian Properties, LLC, a California Limited Liability Company) recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-335 (Jackman/Hawn; unan. Marsh absent) approving the final map of the Evergreen Subdivision in the Coffee Claratina Specific Plan Area, authorizing the City Manager to sign an agreement with the subdividers as required by Section 4-4.604(c) of the Municipal Code (owners: Valley Ventures IV, LLC, a

California Limited Liability Company, Meritage Homes of California, Inc., a California Corporation, BFC Properties, a California Corporation, and Berberian Properties, LLC, a California Limited Liability Company).

COUNCIL COMMENTS & REPORTS

· Councilmember Jackman commented on Debra Gilbert's move and thanked her for her assistance and noted his attendance at the American Cancer Society - Relay for Life.

· Mayor Ridenour reported on the trip to Atlanta for the All American Cities Award application.

HEARINGS

This public hearing has been cancelled.
23. Hearing to consider the Mitigated Negative Declaration for Sutton Community Park; and Consider the Design Development Report and Master Plan included therein for Sutton Community Park.

24. Hearing to consider approving the draft "Analysis to Impediments to Fair Housing Choice" report.
· Resolution approving the draft "Analysis to Impediments to Fair Housing Choice" report and authorizing the City Manager or his designee to sign the related documents for submittal to the Department of Housing and Urban Development (HUD) recommended.
Parks; Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-336 (Jackman/Dunbar; unan. Marsh absent) approving the draft "Analysis to Impediments to Fair Housing Choice" report and authorizing the City Manager or his designee to sign the related documents for submittal to the Department of Housing and Urban Development (HUD).

25. Hearing to consider approving the maximum rate schedule for City of Modesto solid waste collection services.
· Resolution approving a revised schedule of maximum rates and charges for the collection of garbage in the City of Modesto and rescinding Resolution No. 2004-406 recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2005-337 (Dunbar/O'Bryant; unan. Marsh absent) approving a revised schedule of maximum rates and charges for the collection of garbage in the City of Modesto and rescinding Resolution No. 2004-406.

26. Hearing to consider submitting an application to the Federal Transit Administration (FTA) for $3,482,993 in Section 5307 formula funds and a grant amendment for $3,614,907 in Section 5309 discretionary funds.
· Resolution approving submittal of an application to the Federal Transit Administration (FTA) for $3,482,993 in Section 5307 formula funds and authorize the City Manager, or his designee, to execute all grant application and grant agreement documents recommended.
· Resolution approving submittal of a grant amendment for $3,614,907 in Section 5309 discretionary funds; and authorize the City Manager, or his designee, to execute all grant amendment and grant agreement documents recommended.
Public Works; Fred Cavanah; 577-5213, fcavanah@modestogov.com

ACTION: Resolution 2005-338 (Jackman/Hawn; unan. Marsh absent) approving submittal of an application to the Federal Transit Administration (FTA) for $3,482,993 in Section 5307 formula funds and authorize the City Manager, or his designee, to execute all grant application and grant agreement documents.

ACTION: Resolution 2005-339 (Jackman/Hawn; unan. Marsh absent) approving submittal of a grant amendment for $3,614,907 in Section 5309 discretionary funds; and authorize the City Manager, or his designee, to execute all grant amendment and grant agreement documents.

27. Hearing to consider Stanislaus and Tuolumne Rivers Groundwater Basin Association's Integrated Regional Groundwater Management Plan.
· Resolution adopting the Stanislaus and Tuolumne Rivers Groundwater Basin Association's (STRGBA) Integrated Groundwater Management Plan for the Modesto Subbasin recommended.
· Resolution authorizing City staff to apply for various water related grants, including Proposition 50, Chapter 8 funding, through the 2005/06 and 2006/07 fiscal years, and authorizing the City Manager to execute applications related to such grants on behalf of the City recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2005-340 (Hawn/Jackman; unan. Marsh absent) adopting the Stanislaus and Tuolumne Rivers Groundwater Basin Association's (STRGBA) Integrated Groundwater Management Plan for the Modesto Subbasin.

ACTION: Resolution 2005-341 (Hawn/Jackman; unan. Marsh absent) authorizing City staff to apply for various water related grants, including Proposition 50, Chapter 8 funding, through the 2005/06 and 2006/07 fiscal years, and authorizing the City Manager to execute applications related to such grants on behalf of the City.

Councilmember Hawn absent due to conflict of interest
28. Hearing to consider the approval of California Statewide Communities Development Authority Revenue Bonds for the benefit of Sutter Health.
· Resolution approving the issuance by California Statewide Communities Development Authority ("CSCDA") of bonds for the benefit of Sutter Health and affiliates ("Sutter Health") and financing the improvement of certain facilities known as Memorial Hospitals Association, located within the City of Modesto recommended.
Finance; Barry Newlin, 577-5373, bnewlin@modestogov.com

ACTION: Resolution 2005-342 (Dunbar O'Bryant; unan.; Marsh and Hawn absent) approving the issuance by California Statewide Communities Development Authority ("CSCDA") of bonds for the benefit of Sutter Health and affiliates ("Sutter Health") and financing the improvement of certain facilities known as Memorial Hospitals Association, located within the City of Modesto.

NEW BUSINESS

29. Consider approving the recommendation of the Employee Benefits Committee to continue to offer employee and dependent health coverage through PacifiCare, Kaiser Permanente, American Specialty Health Plans (chiropractic coverage) and PacifiCare Behavioral Health; to continue to provide dental and vision coverage through the City's self-insured program; and, authorize the Risk Manager to serve as the coordinator for the various plans and authorize the City Manager to execute all necessary agreements.
· Resolution approving agreements with PacifiCare, Kaiser Permanente, American Specialty Health Plans (chiropractic coverage) and PacifiCare Behavioral Health; continuing dental and vision coverage through the City's self-insured program; authorizing the Risk Manager to serve as the coordinator for the various plans, and

authorize the City Manager to execute all necessary agreements recommended.
Personnel; Mary Akin; 577-5251, makin@modestogov.com

ACTION: Resolution 2005-343 (Jackman/Hawn; unan. Marsh absent) approving agreements with PacifiCare, Kaiser Permanente, American Specialty Health Plans (chiropractic coverage) and PacifiCare Behavioral Health; continuing dental and vision coverage through the City's self-insured program; authorizing the Risk Manager to serve as the coordinator for the various plans, and authorize the City Manager to execute all necessary agreements.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:00 p.m.

CLOSED SESSION

All Closed Sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Janice Stewart, Deputy Director of Personnel

Employee Negotiations: Modesto City Employees Association (MCEA)

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Negotiations: Modesto Confidential and Management Association (MCMA)

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

JULY 22, 2005

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

JULY 22, 2005

(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY
TO COMMUNITY FACILITIES DISTRICT
NO.2004I (VILLAGE ONE#2), AND THE
LEVY OF SPECIAL TAXES WITHIN THE
TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.8

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on June 28, 2005, adopt its Resolution No.2005-320 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004I (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of two parcels identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. Nos. 085-050-001 and 084-002-041. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2005-320. The time and place for the hearing is Tuesday, August 9, 2005 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2005-320. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)577-5211.

Dated: July _, 2005
Jean Zohr
City Clerk
JULY 22, 2005

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, STEVE YAUCH, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 8 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 8.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Steve Yauch

JULY 22, 2005
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 8

Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
085-050-001	G.K. Construction Company, Inc., a California Corporation	1429 Strawberry Avenue Ceres, CA 95307
084-002-041	Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Deceased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common	11313 Valley Spring Drive Oakdale, CA 95361

Assessor Inquiry - Main
Asmt: 085-050-001-000 Feeparcel: 085-050-001-000
Owner: GK CONSTRUCTION COMPANY INC

Situs Address		0 ROSELLE AVE Modesto 95355	
NameAddress		GK CONSTRUCTION COMPANY INC 1429 STRAWBERRY DR CERES CA 95307	
Status	Date	ACTIVE	06/25/2004
Taxability Code	Descr	000	NORMAL
TRA	Base Date	002-109	06/25/2004
Creating Doc#	Date	2004R0101124	06/25/2004
Current Doc#	Date	2004R0101124	06/25/2004
Terminating Doc#	Date		
Neighborhood Co...	Supl Cnt	R110	1
Asmt Description			
Land Use 1	Land Use 2	070	
Zoning 1	Dwell 1		
Acres	SqFt	0	0
SSN1	SSN2	- -	- -

Parcel Desc:

Section	TownShip	Range					
Description							
TPZ	Ag Pres	Etal	Bonds	☐	☐	☐	☐
Multi S...	910 MH	Flag 1	Flag 2	☐	☐	☐	☐
Asmt PP	Tax PP	Appeal	Split	☐	☐	☐	☐

Values

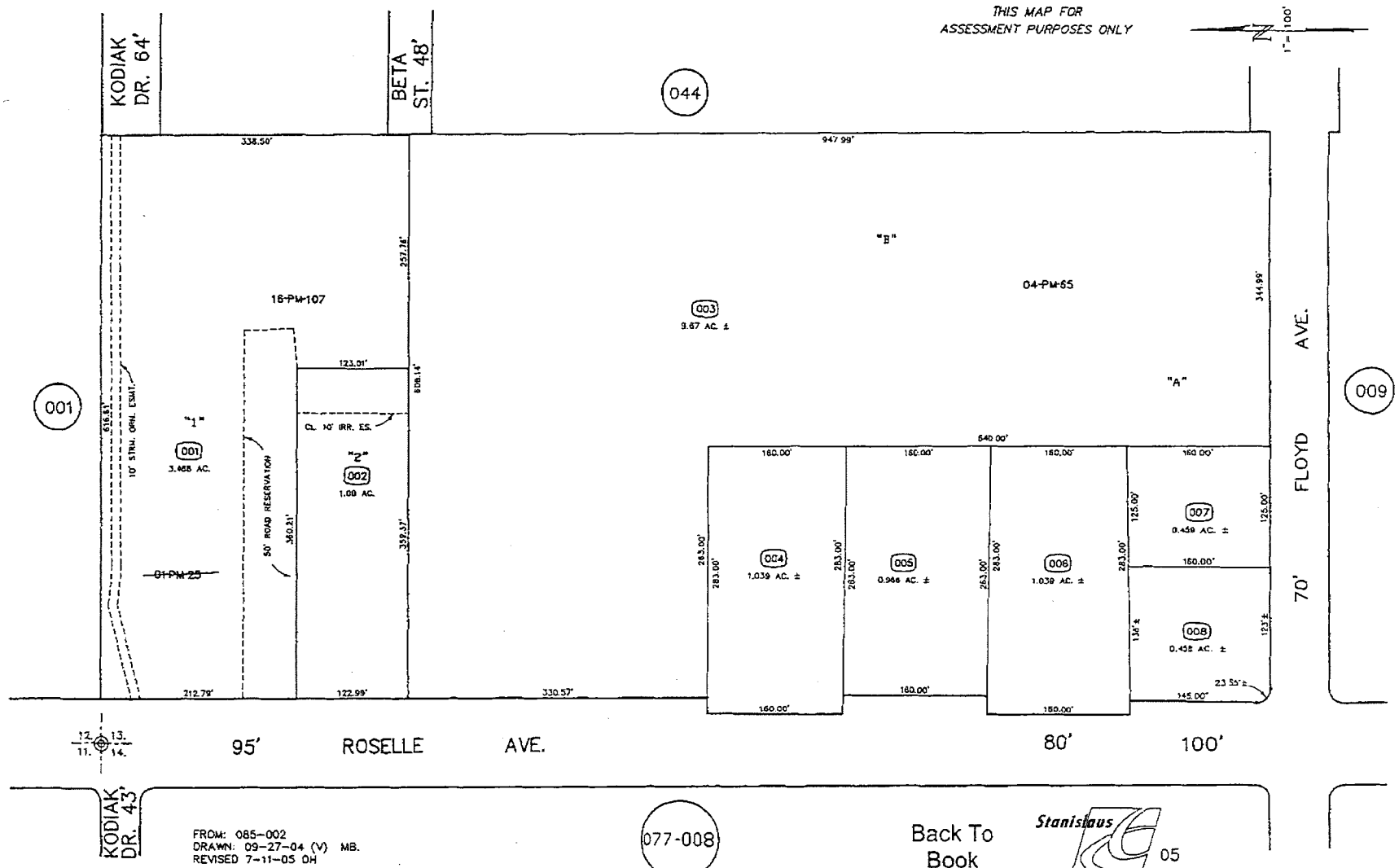
	TAXROLL	CURRENT	APR DATE
Land	545,700	545,700	01/10/2005
Structure			
Fixtures			
Growing			
Total L&I	545,700	545,700	
Fixture RP			
MH PP			
PP			
Exemption			
Net	545,700	545,700	
R/C #			
TR/Date			
Status			
Descriptio	ENROLLED is BASE YEAR		

Main | Has Notes | Ownership Detail | Ownership History | Exemptions | Mfg Homes | Attributes | Value History | Situs | Sales

Ready | Highness 08/23/2005 4:52:36 PM

POR. NW. 1/4 SECTION 13 T.3S. R.9E. M.D.B.& M.

002 109 085 – 050



FROM: 085-002
DRAWN: 09-27-04 (V) MB.
REVISED 7-11-05 DH

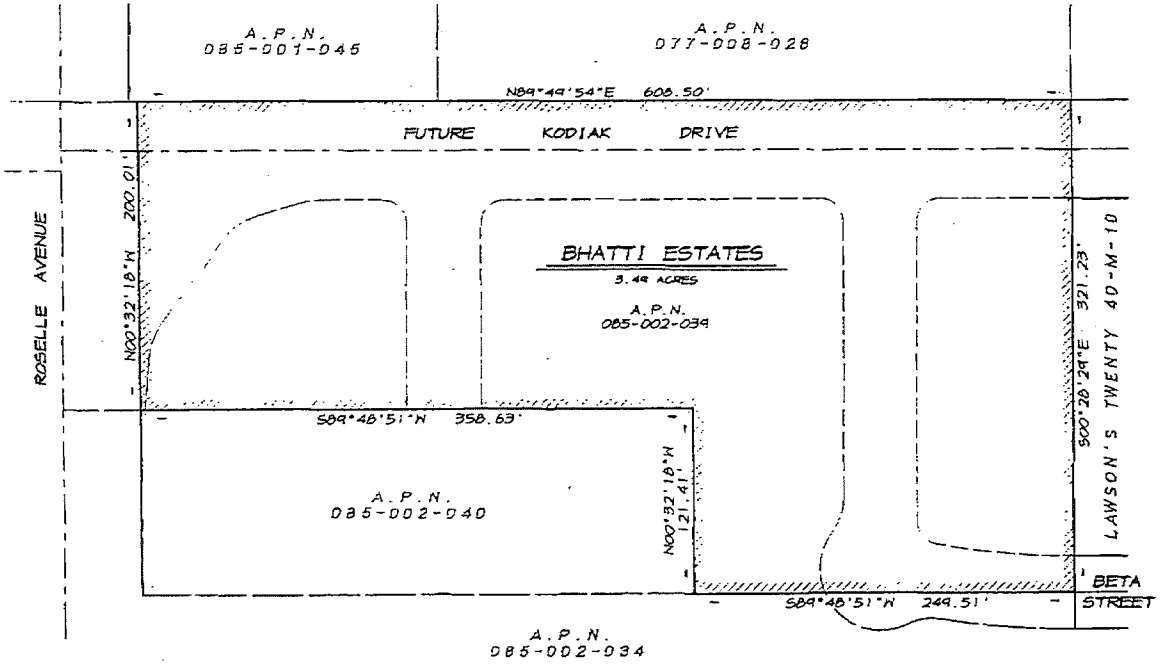
Back To Book Index

Stanislaus County Assessor 05

085 – 050

ANNEXATION MAP NO. 8 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



BASIS OF BEARINGS

THE BEARING OF SOUTH 00°43'00" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO. 2037 AND GPS MONUMENT NO. 2527 AS SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929871) TO OBTAIN GRID DISTANCES. BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (A). - SEE THIS SHEET (LEFT) FOR DETAIL OF CALIF. STATE PLANE COORDINATE TIES.

GRAPHIC SCALE

50 0 50 100

1 INCH = 50 FT.

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

ASSOCIATED ENGINEERING GROUP, INC.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005.

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 8 OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, HAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE, (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 90, IN THAT OFFICE). A MAP OF ANNEXATION NO.2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP OF ANNEXATION NO.3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE. A MAP OF ANNEXATION NO.4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE. A MAP OF ANNEXATION NO.5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE (WHICH AMENDED THE MAP OF ANNEXATION NO.7 PRIOR RECORDED IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 9, IN THAT OFFICE).

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF ____ O'CLOCK ___.M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____ PRINT NAME

Assessor Inquiry - Main
Asmt: 084-002-041-000 Feeparcel: 084-002-041-000
Owner: MOODY KENNETH M TR

Situs Address		3500 ROSELLE AVE Modesto 95357	
NameAddress		MOODY KENNETH M TR 11313 VALLEY SPRING DR OAKDALE CA 95361	
Status	Date	ACTIVE	
Taxability Code	Descr	000	NORMAL
TRA	Base Date	002-218	
Creating Doc#	Date		
Current Doc#	Date		
Terminating Doc#	Date		
Neighborhood Co...	Supl Cnt	F110	
Asmt Description			
Land Use 1	Land Use 2	890	
Zoning 1	Dwell 1	A210UT	
Acres	SqFt	0	0
SSN1	SSN2	- -	- -

Parcel Desc:

Section	TownShip	Range					
Description							
TPZ	Ag Pres	Etal	Bonds	☐	☐	☐	☐
Multi S...	910 MH	Flag 1	Flag 2	☐	☐	☐	☐

Values

	TAXROLL	CURRENT	APR DATE
Land	14,488	14,488	
Structure	72,338	72,338	
Fixtures			
Growing			
Total L&I	86,826	86,826	
Fixture RP			
MH PP			
PP			
Exemption			
Net	86,826	86,826	
R/C #			
TR/Date			
Status			
Descriptio	ENROLLED is BASE YEAR		

Main | Has Notes | Ownership Detail | Ownership History | Exemptions | Mfg Homes | Attributes | Value History | Situs | Sales

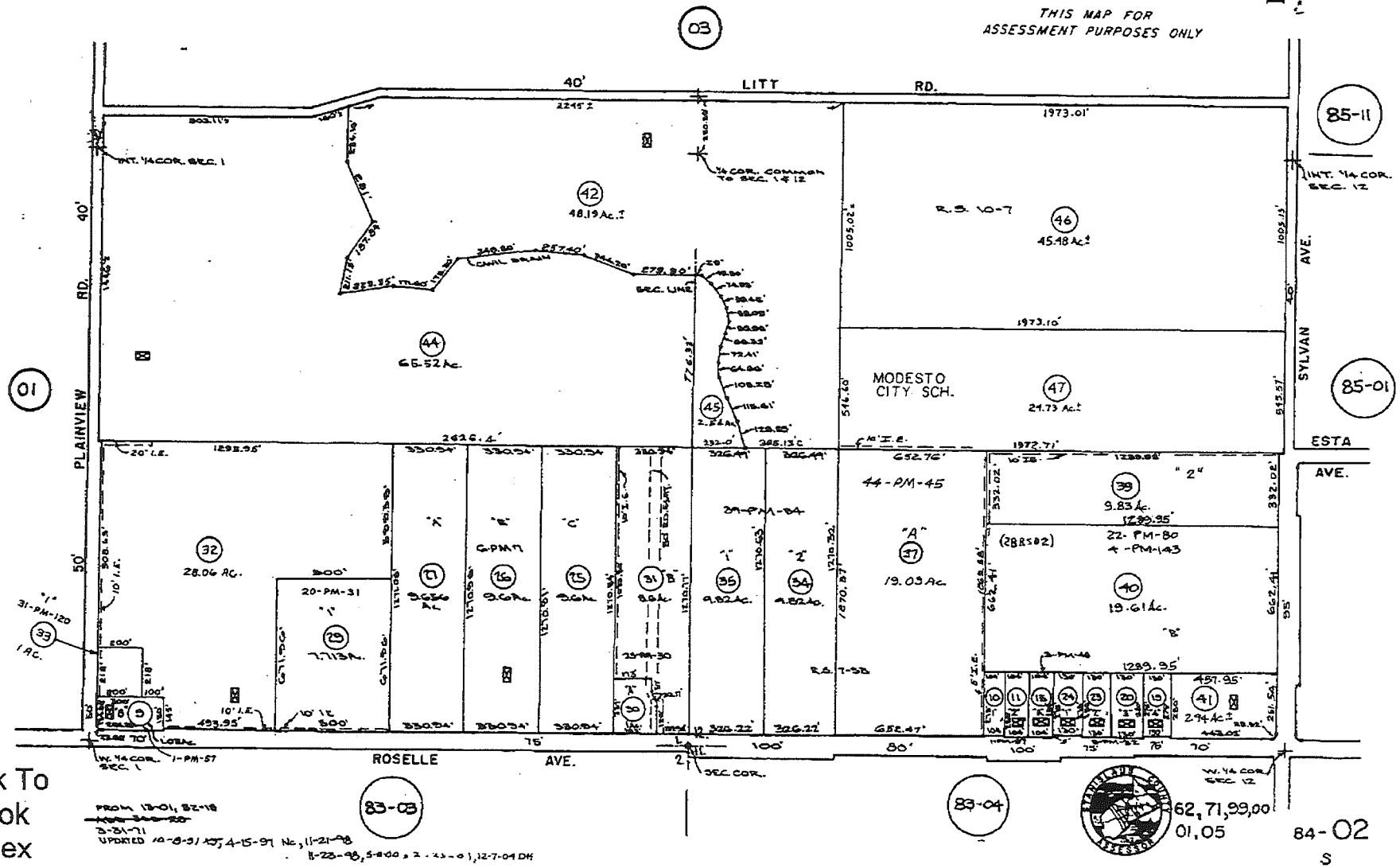
Ready | lozanon 3/16/2005 2:04:05 PM

SW 1/4 & POR. OF SE 1/4 SEC. 1 T.3S. R.9E. M.D.B.& M.
NW 1/4 & POR. OF NE 1/4 SEC.12 T.3S. R.9E. M.D.B.& M.

091 006
109 001

84- 02

THIS MAP FOR
ASSESSMENT PURPOSES ONLY



Back To
Book
Index

FROM 18-01, 82-18
~~[illegible]~~
3-31-71
UPDATED 10-8-91 AS, 4-15-97 NC, 11-21-98
11-23-98, 5-8-00, 2-23-01, 12-7-04 DH

ANNEXATION MAP No. 8 OF COMMUNITY FACILITES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

DESCRIPTION

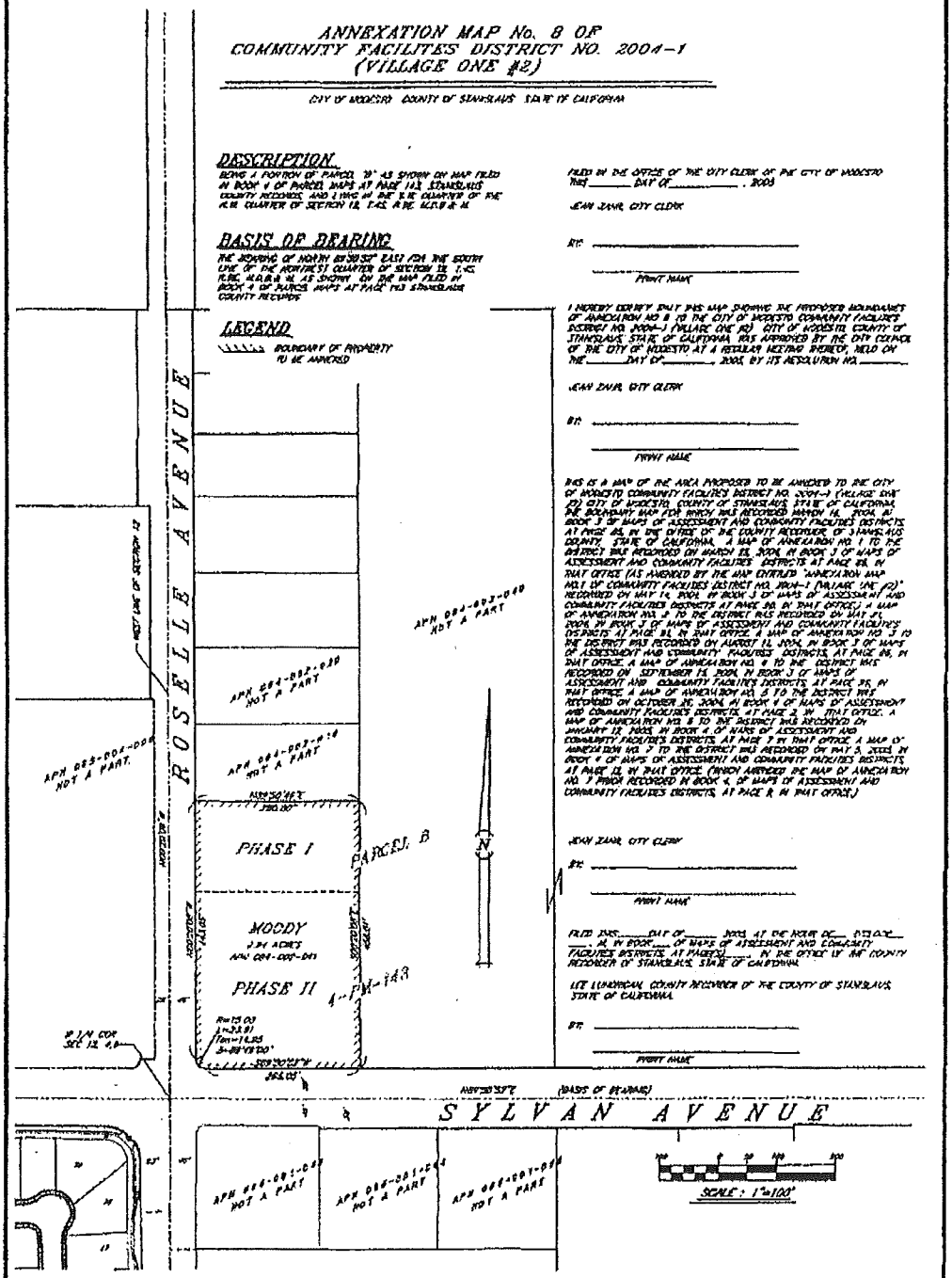
BEING A PORTION OF PARCEL "B" AS SHOWN ON MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143 STANISLAUS COUNTY RECORDS, AND LYING IN THE S.E. QUARTER OF THE N.W. QUARTER OF SECTION 12, T.4S. R.9E. M.D.B.&M.

BASIS OF BEARING

THE BEARING OF NORTH 89°30'30" EAST FOR THE SOUTH LINE OF THE NORTHEST QUARTER OF SECTION 12, T.4S. R.9E. M.D.B.&M. AS SHOWN ON THE MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143 STANISLAUS COUNTY RECORDS

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO 8 TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH WAS RECORDED MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 88, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, STATE OF CALIFORNIA, A MAP OF ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 88, IN THAT OFFICE (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO.1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 98, IN THAT OFFICE), A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 91, IN THAT OFFICE, A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE, A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE, A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE, A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE, A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE (WHICH AMENDED THE MAP OF ANNEXATION NO. 7 PRIOR RECORDED IN BOOK 4, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 8, IN THAT OFFICE)

JEAN ZAHR, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____ 2005 AT THE HOUR OF _____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES ____ IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS, STATE OF CALIFORNIA

LEE LUNDBERG, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

PRINT NAME

SHEET					
2 OF 2	HAWKINS & ASSOCIATES ENGINEERING 436 MITCHELL RD MODESTO, CA. 95354 PH (209) 575 - 4255 FAX (209) 578 - 4295	ANNEXATION MAP NO. 8 COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE NO.2) MODESTO, CA	BY: GH CHK: GL DATE: MARCH 2005 SCALE: 1"=100' JOB #: 2002A_TPM	RODRICK H. HAWKINS R.C.E. 50198 CROLLE E. LINDSAY R.C.E. 51900 L.S. 4709	

SYM.	DATE	DESCRIPTION	APPD.
	11-10-05	ADDED "EXHIBIT A"	
	9-23-05	ADDED NOTE 8	
	6-28-05	ADDED NOTE 7	

T:\2002\2002A\Mapping\Tentative Map\2002A TPM.dwg 6/28/2005 2:04:01 PM PDT

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 8 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On July 21, 2005, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are NO persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

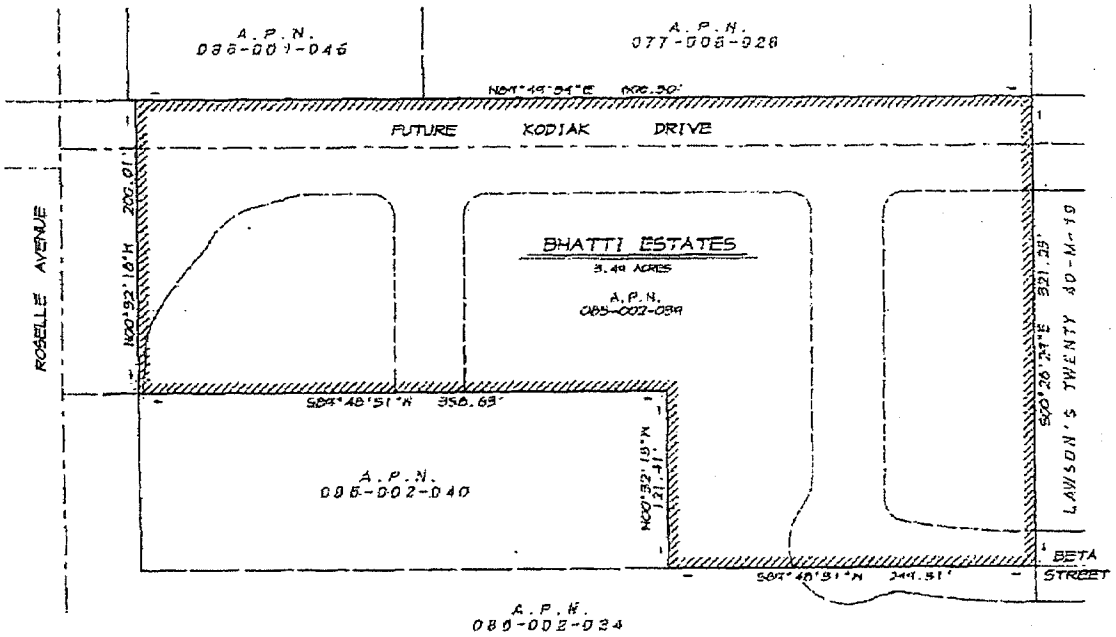
By: _____
Lee Lundrigan

July 21, 2005
Date of Execution

Modesto, California
Place of Execution

ANNEXATION MAP NO. 8 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-01
(VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



BASIS OF BEARINGS

THE BEARING OF SOUTH 00°45'00" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO. 2627 AND GPS MONUMENT NO. 2527 AS SHOWN ON VOL. 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.9999997) TO OBTAIN GRID DISTANCES, BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (A) - SEE THIS SHEET (LEFT) FOR DETAIL OF CALIF. STATE PLANE COORDINATE TIES.

N

GRAPHIC SCALE

50 0 50 100

1 INCH = 50 FT.

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

ASSOCIATED ENGINEERING GROUP, INC.

ANNEXATION MAP NO. 8 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 8 OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, HAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 29, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE, (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 90, IN THAT OFFICE). A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE. A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE. A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE (WHICH AMENDED THE MAP OF ANNEXATION NO. 7 PRIOR RECORDED IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 8, IN THAT OFFICE)

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK ___ M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 51, _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEE LUNDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

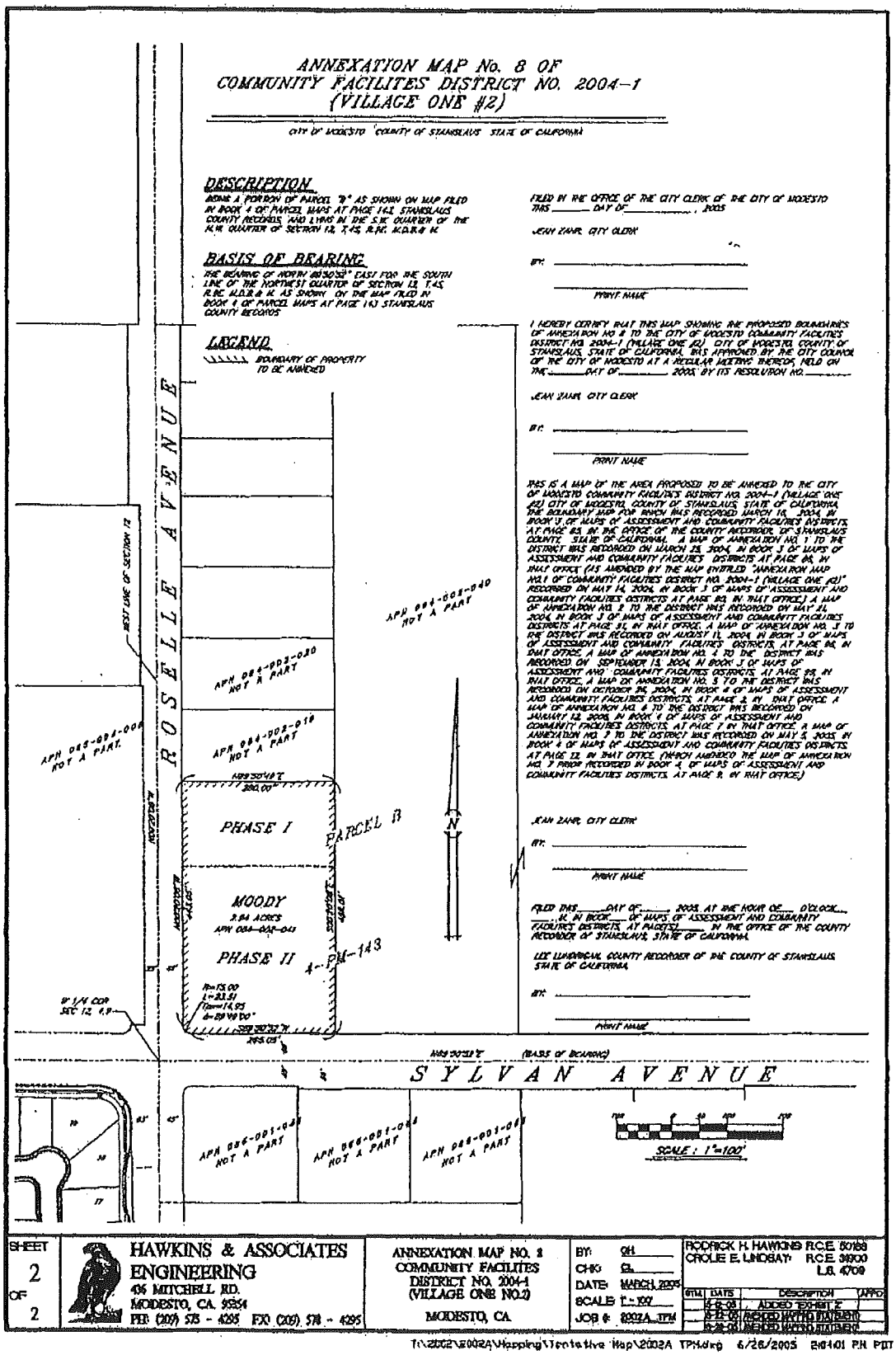
_____
PRINT NAME

SHEET 1 OF 2

ANNEXATION NO. 8 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

EXHIBIT A

ANNEXATION NO. 8 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



SHEET 2 OF 2	HAWKINS & ASSOCIATES ENGINEERING 436 MITCHELL RD. MODESTO, CA. 95354 PH: (209) 575 - 4285 FX: (209) 578 - 4295	ANNEXATION MAP NO. 8 COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE NO.2) MODESTO, CA.	BY: QH CHK: CL DATE: MARCH 2005 SCALE: 1"=100' JOB #: 2002A_TPM	RODRICK H. HAWKINS R.C.E. 50188 CROLIE E. LINDSAY R.C.E. 34900 L.S. 4709

NUM	DATE	DESCRIPTION	APPD
	6-6-05	ADDED "EXHIBIT 2"	
	6-12-05	AMENDED MATHO INFORMATION	
	6-28-05	AMENDED MATHO INFORMATION	

f:\2002\2002A\Hawkins\Tentative Map\2002A TPM.dwg 6/28/2005 2:41:01 PM PDT

EXHIBIT A

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 8

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 084-002-041 (the "Property") being land proposed to be annexed, as Annexation No. 8, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-320 (the "Resolution of Intention to Annex"), adopted on June 28, 2005. The land proposed to be annexed to the District as Annexation No.8 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Kenneth M. Moody + Carolyn J. Exemption Trust + Carolyn J marital Trust.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and Recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____

_____; the name and address of the Trustee thereunder is: _____

_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Kenneth Moody as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1326 SYCAMORE AVENUE MODESTO CA 95350.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 7/25/05, 2005

LANDOWNERS: Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Deceased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____
Kenneth M. Moody

By: _____

SF1 1402515v2 47922/29

ORIGINAL

ANNEXATION MAP No. 8 OF COMMUNITY FACILITES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

DESCRIPTION

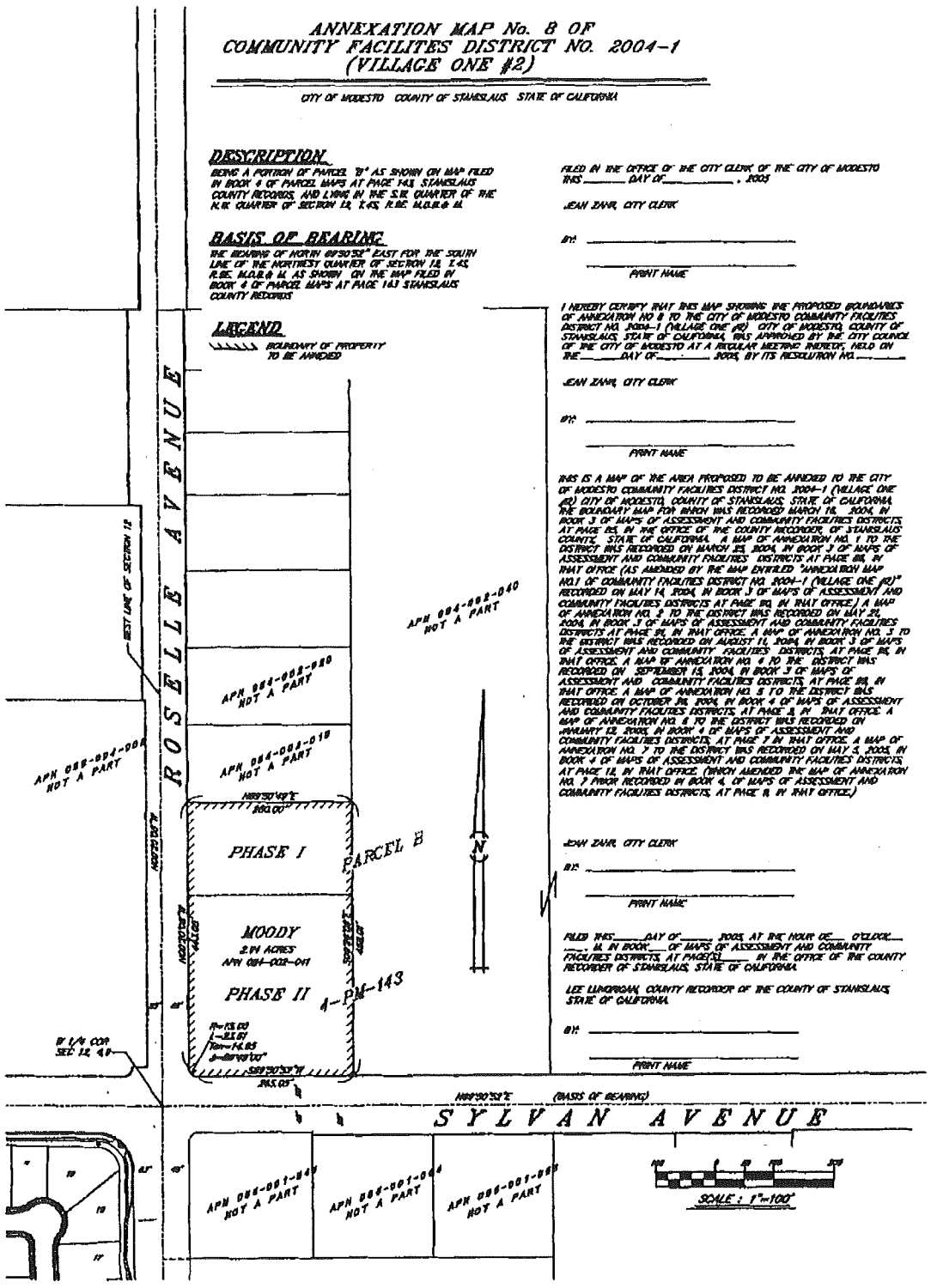
BEING A PORTION OF PARCEL "B" AS SHOWN ON MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143, STANISLAUS COUNTY RECORDS, AND LYING IN THE S.W. QUARTER OF THE N.W. QUARTER OF SECTION 12, T.4S, R.8E, M.D.B.& M.

BASIS OF BEARING

THE BEARING OF NORTH 89°53'52" EAST FOR THE SOUTH LINE OF THE NORTHEST QUARTER OF SECTION 12, T.4S, R.8E, M.D.B.& M. AS SHOWN ON THE MAP FILED IN BOOK 4 OF PARCEL MAPS AT PAGE 143 STANISLAUS COUNTY RECORDS

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO 8 TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED MARCH 18, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA. A MAP OF ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 88, IN THAT OFFICE (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO.1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 89, IN THAT OFFICE) A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 91, IN THAT OFFICE. A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 95, IN THAT OFFICE. A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE. A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 28, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 3, IN THAT OFFICE. A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7 IN THAT OFFICE. A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 3, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE. (WHICH AMENDED THE MAP OF ANNEXATION NO. 3 PRIOR RECORDED IN BOOK 4, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 8, IN THAT OFFICE.)

JEAN ZAHR, CITY CLERK

BY: _____

_____ PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDGRAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

BY: _____

_____ PRINT NAME

SHEET	HAWKINS & ASSOCIATES ENGINEERING	ANNEXATION MAP NO. 8 COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE NO.2)	BY: GH	RODRICK H. HAWKINS R.C.E. 50188
2 OF 2	436 MITCHELL RD. MODESTO, CA. 95354 PH (209) 575 - 4285 FAX (209) 578 - 4285	MODESTO, CA	CHK: CL	CROLIE E. LINDBAY R.C.E. 51200 L.S. 4709
			DATE: MARCH 2005	
			SCALE: 1" = 100'	
			JOB #: 2002A_TPM	

BY	DATE	DESCRIPTION	APPD
	3-18-04	ADDED "PHASE 2"	
	5-25-05	AMENDED MAPPING DIVISION	
	6-28-05	AMENDED MAPPING DIVISION	

T:\2002\2002A\Mapping\Tentative Map\2002A TPM.dwg 6/28/2005 2:04:01 PM PDT

G.K. Construction Company,
Inc., a California Corporation
A.P. No. 085-002-039

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

Comment: Print Map in Exhibit A on Color Printer for better print quality.

Comment:

ANNEXATION NO. 8

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-002-039 (the "Property") being land proposed to be annexed, as Annexation No. 8, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-320 (the "Resolution of Intention to Annex"), adopted on June 28, 2005. The land proposed to be annexed to the District as Annexation No.8 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are __ registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: G.K. CONSTRUCTION COMPANY, INC. A CALIFORNIA CORPORATION.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. ✓ There is a deed of trust or other secured interest, dated JUNE 23, 2004 and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: MARY ANN BARNETT, A MARRIED WOMAN AS HER SOLE AND SEPERATE PROPERTY; the name and address of the Trustee thereunder is: FIDELITY NATIONAL TITLE COMPANY.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate HARRY BHATTI as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1713 RANCHO ENCENTANDO LANE MODESTO, CA. 95358.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: AUG. 3, 2005

LANDOWNERS: G.K. Construction Company, Inc., a California Corporation

By: _____

By: _____

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

SFI 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005-320 (the "Resolution") to annex certain territory (Annexation No. 8) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 8/4, 2005

_____, a California
_____ ("Lender")

By: Mary Ann Barnett
Name: MARY ANN BARNETT
Title: _____

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

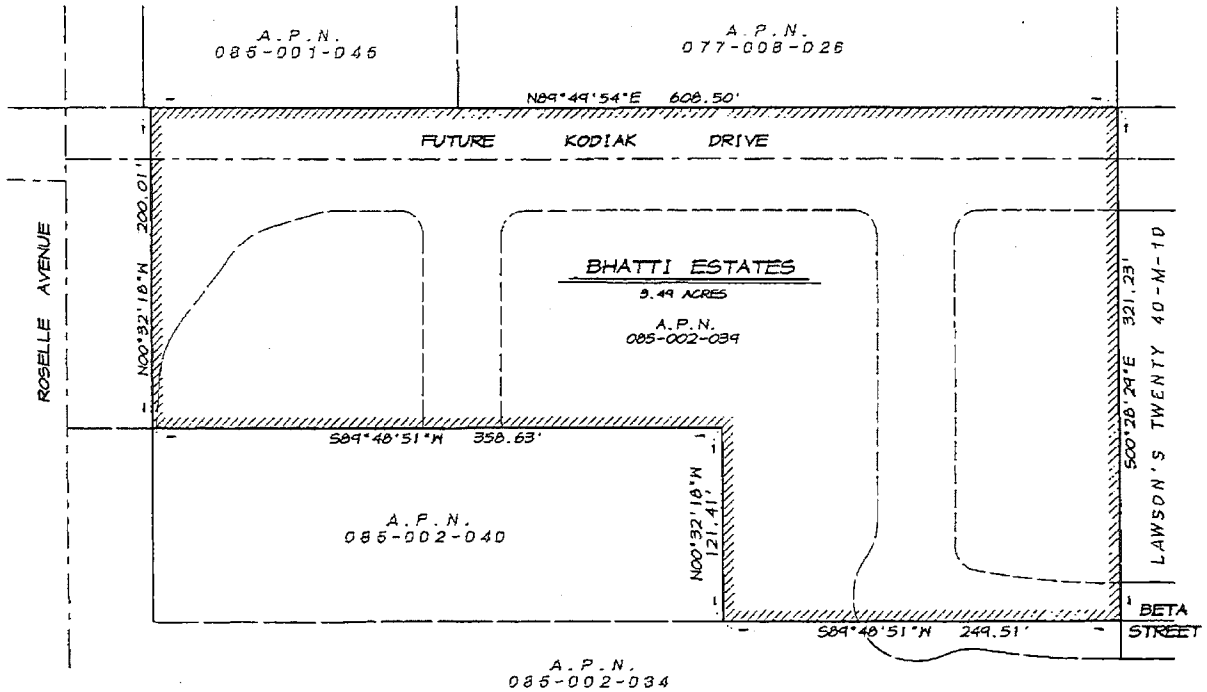
SF1 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 8 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO. 8 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA



BASIS OF BEARINGS

THE BEARING OF SOUTH 00°43'00" EAST BETWEEN CITY OF MODESTO GPS MONUMENT NO. 2627 AND GPS MONUMENT NO. 2527 AS SHOWN ON VOL. 22 OF SURVEYS AT PAGE 31, STANISLAUS COUNTY RECORDS, HAS USED AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NOTE: THE DISTANCES SHOWN HEREON ARE GROUND DISTANCES. MULTIPLY GROUND DISTANCES BY THE COMBINATION FACTOR (.999929871) TO OBTAIN GRID DISTANCES. BASED ON THE 1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983 (NAD83) AS SHOWN ON REFERENCE (A). - SEE THIS SHEET (LEFT) FOR DETAIL OF CALIF. STATE PLANE COORDINATE TIES.

N

GRAPHIC SCALE

50 0 50 100

1 INCH = 50 FT.

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

ASSOCIATED ENGINEERING GROUP, INC.
1206 TECHNOLOGY DRIVE • MODESTO, CALIFORNIA 95356
PH: (209) 545-3388 • FAX: (209) 545-3875

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2005.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO.8 OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, HAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH WAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP RELATED TO ANNEXATION NO.1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 86, IN THAT OFFICE, (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 90, IN THAT OFFICE). A MAP OF ANNEXATION NO.2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE. A MAP OF ANNEXATION NO.3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE. A MAP OF ANNEXATION NO.4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE. A MAP OF ANNEXATION NO.5 TO THE DISTRICT WAS RECORDED ON OCTOBER 26, 2004, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE. A MAP RELATED TO ANNEXATION NO.7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE (WHICH AMENDED THE MAP OF ANNEXATION NO.7 PRIOR RECORDED IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 9, IN THAT OFFICE).

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF ____ O'CLOCK ___.M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S)_____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 8)," adopted by the City Council of the City of Modesto on August 9 2005, I am the designated election official to conduct the special election described in that Resolution.

3. On 8/9, 2005, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 8. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: August 11, 2005

Place of Execution: Modesto, California

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 1/4/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
G.K. Construction Company, Inc., a California Corporation	Harry Bhatti 1713 Rancho Encentando Lane Modesto, California 95358	1	54.28%
Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Deceased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common	Kenneth Moody 11313 Valley Springs Drive Oakdale, California 95361	2	45.72%

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 8

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

September 6, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 8, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on September 6, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

54.28% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 4
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 1

54.28% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 4 VOTES

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

45.72% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 3
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 2

45.72% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 3 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Harry Bhatti**, certify as follows:

(1) I am the Authorized Representative of G.K. Construction Company, Inc., a California Corporation, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 8 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-039 (the "Parcel"), which comprises approximately 3.49 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 2)

I, **Kenneth Moody,** certify as follows:

(1) I am the Authorized Representative of Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Deceased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 8 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 084-002-041 (the "Parcel"), which comprises approximately 2.94 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-454

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 8)

WHEREAS, this Council did, on June 28, 2005, adopt its Resolution No. 2005-320 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2, and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 8 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on June 29, 2005, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 20; and

WHEREAS, at the time and date set for the hearing (August 9, 2005) pursuant to the Resolution of Intention to Annex, the public hearing was opened and continued to Tuesday, September 6, 2005; and

WHEREAS, this Council held the public hearing on Tuesday, September 6, 2005, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to

the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner or owners of all of the land in the Annexed Territory (hereinafter referred to as "Landowner," without regard to number), the election shall be held on the 6th day of September 2005. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681)

and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 6th of September 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320182, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 87)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 6, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Peter Gartner

City Clerk's Announcements Item 6 moved to follow Item 34
Item 18 removed from Consent
Item 30 and 31 removed from the agenda
Medical Marijuana item scheduled for September 27

Declaration of Conflicts of Interest: Hawn - Item 4
Dunbar - Item 4 and 28
Marsh - Item 24 and 35

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to the Modesto Symphony in honor of their 75th Anniversary.

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

2. Consider appointments to the following boards, commissions and committees:

a. Bill Zoslocki, to the Airport Advisory Committee
· Resolution appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007 recommended.

b. Julie Walton, to the Citizens Advisory Committee on Recycling

· Resolution appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

c. Mary Dewing, to the Tuolumne River Regional Park Citizens Advisory Committee
· Resolution appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

City Manager's Office; George Britton, 577-5404, gbritton@modestogov.com

ACTION: Resolution 2005- 418 (Jackman/Keating; unan.) appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007.

ACTION: Resolution 2005- 419 (Jackman/Keating; unan.) appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

ACTION: Resolution 2005- 420 (Jackman/Keating; unan.) appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Rita Alvarez expressed her concern with individuals selling cars near her used car business.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 29

ACTION Consent Items 3, 5, 7-17, 19-23, 25-27, 29: Jackman/Hawn; unan.

ACTION Item 4: Jackman/Marsh; unan. Dunbar and Hawn absent

ACTION Item 6: Jackman/Hawn; unan.

ACTION Item 18: Jackman/Hawn, unan.

ACTION Item 24: Jackman/Keating; unan. Marsh absent

ACTION Item 28: Jackman/Hawn; unan. Dunbar absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of August 9, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the Minutes of August 9, 2005.

CONSENT
Hawn absent due to conflict
Dunbar and Hawn were absent at introduction of Ordinance
4. Consider approving final adoption of Ordinance No. 3393-C.S. amending Section 2

of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas).
· Motion approving final adoption of Ordinance No. 3393-C.S. amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas) recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Marsh; unan. Dunbar and Hawn absent) approved the **final adoption of Ordinance No. 3393-C.S.** amending Section 2 of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas)

CONSENT
5. Consider declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD; and consider declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD; and approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.
· Resolution declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD recommended.
· Resolution declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD recommended.
· Resolution approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-421 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD.

ACTION: Resolution 2005-422 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD.

ACTION: Resolution 2005-423 (Jackman/Hawn; unan.) approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.

CONSENT - Moved to follow Item 34
6. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9).
· Resolution of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-424 (Jackman/Hawn; unan) of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2). (Annexation No. 9).

CONSENT
7. Consider approving monthly budget adjustments for August 2005.

· Resolution approving monthly budget adjustments for August 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-425 (Jackman/Hawn; unan) approving monthly budget adjustments for August 2005.

CONSENT
8. Consider authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.
· Resolution authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-426 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.

CONSENT
9. Consider authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.
· Resolution authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-427 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.

CONSENT
10. Consider approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project.
· Resolution approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract recommended.
Parks, Recreation & Neighborhoods; Nathan G. Houx, (209) 571-5526, nhoux@modestogov.com

ACTION: Resolution 2005-428 (Jackman/Hawn; unan) approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract

CONSENT
11. Consider approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.
· Resolution approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to

the City's deferred compensation program and authorizing the City Manager to execute said agreement recommended.
Personnel; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2005-429 (Jackman/Hawn; unan) approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.

CONSENT
12. Consider approving an agreement with Sylvan Union School District for a Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.). The City shall be compensated $50,459.00 for the services of this police officer.
· Resolution approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-430 (Jackman/Hawn; unan) approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement.

CONSENT
13. Consider approving an agreement with Modesto City Schools for High Risk Intervention Team Police Officer. The City of Modesto shall be compensated $96,600 to fully fund the project.
· Resolution approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-431 (Jackman/Hawn; unan) approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement

ACTION: Resolution 2005-432 (Jackman/Hawn; unan) amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated

CONSENT
14. Consider approving an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
· Resolution approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-433 (Jackman/Hawn; unan) approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
15. Consider approving an agreement with Modesto City Schools for four School Resource Officers (SROs) at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers, and authorizing the City Manager to execute the Agreement.
· Resolution approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-434 (Jackman/Hawn; unan) approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
16. Consider accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.
· Resolution accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-435 (Jackman/Hawn; unan) accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.

CONSENT
17. Consider accepting the Department of Justice award funds of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.
· Resolution accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests recommended.
· Resolution amending the 2005/06 operating budget to estimate revenue recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-436 (Jackman/Hawn; unan) accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.

ACTION: Resolution 2005-437 (Jackman/Hawn; unan) amending the 2005/06 operating budget to estimate revenue.

REMOVED FROM CONSENT
18. Consider rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.
· Resolution rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals recommended.
Public Works; Adam Denlinger, 577-6300, adenlinger@modestogov.com

ACTION: Resolution 2005-438 (Jackman/Hawn; unan.) rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.

CONSENT
19. Consider adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.
· Resolution adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30 recommended.
Public Works; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2005-439 (Jackman/Hawn; unan) adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.

CONSENT
20. Consider accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.
· Resolution accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-440 (Jackman/Hawn; unan) accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.

CONSENT
21. Consider accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509.
· Resolution accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-441 (Jackman/Hawn; unan) accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total

project cost is $424,509.

CONSENT
22. Consider approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.
· Resolution approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-442 (Jackman/Hawn; unan) approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.

CONSENT
23. Consider approval of Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John J. Machado and Judy A. Machado, Co-Trustees of the Machado Family Trust Agreement, U/D/T).
· Resolution approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-443 (Jackman/Hawn; unan) approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement.

CONSENT
Marsh absent due to conflict
24. Consider approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).
· Resolution approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company) recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-444 (Jackman/Keating; unan. Marsh absent) approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).

CONSENT
25. Consider accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community

Facilities District No 2003-1 and Del Valle Homes, a California corporation.
· Resolution accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-445 (Jackman/Hawn; unan) accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes.

CONSENT
26. Consider approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects and authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.
· Resolution approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects recommended.
· Resolution authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-446 (Jackman/Hawn; unan) approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects

ACTION: Resolution 2005-447 (Jackman/Hawn; unan) authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.

CONSENT
27. Consider accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 and amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.
· Resolution accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 recommended.
· Resolution amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000 recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-448 (Jackman/Hawn; unan) accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000.

ACTION: Resolution 2005-449 (Jackman/Hawn; unan) amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.

CONSENT
Dunbar absent due to conflict
28. Consider approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the

amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.
· Resolution approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006 recommended
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-450 (Jackman/Hawn; unan. Dunbar absent) approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.

CONSENT
29. Consider accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto.
· Resolution accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City recommended.
· Resolution amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves recommended.
Public Works, Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2005-451 (Jackman/Hawn; unan) accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City.

ACTION: Resolution 2005-452 (Jackman/Hawn; unan) amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves.

COUNCIL COMMENTS & REPORTS

None.

WRITTEN COMMUNICATIONS

30. Request from Carmen Sabatino, former Mayor of Modesto, regarding "a Charter Committee comprised of the President of the Stanislaus County Bar Association, two retired judges and two attorneys from different law firms would be formed to define the duties and responsibilities of the City Attorney's Office."

ACTION: Removed from the agenda at the request Carmen Sabatino.

UNFINISHED BUSINESS

It has been requested that this item be removed from the Agenda.
31. Consider (1) implementing the City's Last, Best, Final Offer to Modesto City Employees' Association (MCEA) for the timeframe of September 6, 2005 through July 23, 2007, unless otherwise noted; (2) approving the Class Range Table for MCEA; and (3) amending the FY 05-06 Operating Budget to transfer $932,800 from various Fund reserves ($345,136 from the General Fund Reserve and $587,664 from other Fund reserves) to various accounts in departments' operating budgets.
· Motion removing this item from the Agenda recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: This item was removed from the agenda.

HEARINGS

32. Hearing to consider the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.
· Resolution denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-453 (Dunbar/Hawn; unan. denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.

This item is continued to October 11, 2005.
33. Hearing to consider an appeal from Bill and Veronica Loretelli of a staff decision denying a request for CFF reimbursement for excess right-of-way dedication at the southwest corner of Coffee Road and Claratina Avenue, Loretelli Manor Subdivision.
· Motion continuing the hearing to October 11, 2005 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) continued the hearing to October 11, 2005.

This item was continued from August 9, 2005.
34. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) and canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-454 (Jackman/Hawn; unan.) consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8).

ACTION: Resolution 2005-455 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

This item was continued from August 9, 2005.
Councilmember Marsh absent due to conflict of interest

35. Hearing to consider the appeal by NA Engineering and Development Company to a decision by the Planning Commission denying the application of NA Engineering and Development Company for a Tentative Parcel Map to divide an 8.45-Acre Property into two parcels, property located on the southeast corner of Roselle and Hillglen Avenues.
· Resolution denying the appeal and upholding the decision of the Planning Commission recommended.
Community & Economic Development; Josh Bridegroom, 571-5808, jbridegroom@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.; Marsh, absent) **continued the public hearing to October 11, 2005** to give staff time to negotiate an agreement with the landowner related to the acquisition of right-of-way for alignment of Hillglen for this project, and directed staff to investigate the possibility of funding the roundabout.

NEW BUSINESS

Study Session Item
36. Consider receipt of the Modesto Police Department's Auto Theft Report for 2004.
· Motion receiving the Modesto Police Department's Auto Theft Report for 2004 recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: By order of the Chair received the Modesto Police Department's Auto Theft Report for 2004.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

The meeting adjourned at 8:46 p.m.

CLOSED SESSION

All closed sessions heard prior to the Council meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Employees Association

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases.

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

54.28% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 4
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 1

54.28% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 4 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Harry Bhatti**, certify as follows:

(1) I am the Authorized Representative of G.K. Construction Company, Inc., a California Corporation, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 8 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-002-039 (the "Parcel"), which comprises approximately 3.49 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on August 23, 2005 at MODESTO CA.

Signature of Authorized Representative (Voter)

1713 - RANCHO ENCANTANDO LN.
MODESTO CA 95358

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 8

SPECIAL TAX ELECTION

September 6, 2005

45.72% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 3
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 2

45.72% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 3 VOTES

AUTHORIZATION
(BALLOT NO. 2)

MODESTO CITY CLERK

05 AUG 31 PM 3:17

I, **Kenneth Moody,** certify as follows:

(1) I am the Authorized Representative of Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Deceased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 8 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 084-002-041 (the "Parcel"), which comprises approximately 2.94 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 8/31/05, 2005 at Modesto, _____.

Kenneth M Moody
Signature of Authorized Representative (Voter)

11313 Valley Spring Dr.
Oakdale Ca 95361
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-455

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE SEPTEMBER 6, 2005, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 8)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted on June 28, 2005, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced

in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2005-454, adopted on September 6, 2005, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for September 6, 2005, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on September 6, 2005, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2005-320 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 6th day of September 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: [signature]
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-454, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 8) adopted on June 28, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on September 6, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-320, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 8)" adopted by the City Council of the City of Modesto on June 28, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 7 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: 9/7, 2005

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 6, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Peter Gartner

City Clerk's Announcements Item 6 moved to follow Item 34
Item 18 removed from Consent
Item 30 and 31 removed from the agenda
Medical Marijuana item scheduled for September 27

Declaration of Conflicts of Interest: Hawn - Item 4
Dunbar - Item 4 and 28
Marsh - Item 24 and 35

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to the Modesto Symphony in honor of their 75th Anniversary.

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

2. Consider appointments to the following boards, commissions and committees:

a. Bill Zoslocki, to the Airport Advisory Committee
· Resolution appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007 recommended.

b. Julie Walton, to the Citizens Advisory Committee on Recycling

· Resolution appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

c. Mary Dewing, to the Tuolumne River Regional Park Citizens Advisory Committee
· Resolution appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

City Manager's Office; George Britton, 577-5404, gbritton@modestogov.com

ACTION: Resolution 2005- 418 (Jackman/Keating; unan.) appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007.

ACTION: Resolution 2005- 419 (Jackman/Keating; unan.) appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

ACTION: Resolution 2005- 420 (Jackman/Keating; unan.) appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Rita Alvarez expressed her concern with individuals selling cars near her used car business.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 29

ACTION Consent Items 3, 5, 7-17, 19-23, 25-27, 29: Jackman/Hawn; unan.

ACTION Item 4: Jackman/Marsh; unan. Dunbar and Hawn absent

ACTION Item 6: Jackman/Hawn; unan.

ACTION Item 18: Jackman/Hawn, unan.

ACTION Item 24: Jackman/Keating; unan. Marsh absent

ACTION Item 28: Jackman/Hawn; unan. Dunbar absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of August 9, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the Minutes of August 9, 2005.

CONSENT
Hawn absent due to conflict
Dunbar and Hawn were absent at introduction of Ordinance
4. Consider approving final adoption of Ordinance No. 3393-C.S. amending Section 2

of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas).
· Motion approving final adoption of Ordinance No. 3393-C.S. amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas) recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Marsh; unan. Dunbar and Hawn absent) approved the **final adoption of Ordinance No. 3393-C.S.** amending Section 2 of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas)

CONSENT
5. Consider declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD; and consider declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD; and approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.
· Resolution declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD recommended.
· Resolution declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD recommended.
· Resolution approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-421 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD.

ACTION: Resolution 2005-422 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD.

ACTION: Resolution 2005-423 (Jackman/Hawn; unan.) approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.

CONSENT - Moved to follow Item 34
6. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9).
· Resolution of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-424 (Jackman/Hawn; unan) of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2). (Annexation No. 9).

CONSENT
7. Consider approving monthly budget adjustments for August 2005.

· Resolution approving monthly budget adjustments for August 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-425 (Jackman/Hawn; unan) approving monthly budget adjustments for August 2005.

CONSENT
8. Consider authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.
· Resolution authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-426 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.

CONSENT
9. Consider authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.
· Resolution authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-427 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.

CONSENT
10. Consider approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project.
· Resolution approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract recommended.
Parks, Recreation & Neighborhoods; Nathan G. Houx, (209) 571-5526, nhoux@modestogov.com

ACTION: Resolution 2005-428 (Jackman/Hawn; unan) approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract

CONSENT
11. Consider approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.
· Resolution approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to

the City's deferred compensation program and authorizing the City Manager to execute said agreement recommended.
Personnel; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2005-429 (Jackman/Hawn; unan) approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.

CONSENT
12. Consider approving an agreement with Sylvan Union School District for a Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.). The City shall be compensated $50,459.00 for the services of this police officer.
· Resolution approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-430 (Jackman/Hawn; unan) approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement.

CONSENT
13. Consider approving an agreement with Modesto City Schools for High Risk Intervention Team Police Officer. The City of Modesto shall be compensated $96,600 to fully fund the project.
· Resolution approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-431 (Jackman/Hawn; unan) approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement

ACTION: Resolution 2005-432 (Jackman/Hawn; unan) amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated

CONSENT
14. Consider approving an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
· Resolution approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-433 (Jackman/Hawn; unan) approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
15. Consider approving an agreement with Modesto City Schools for four School Resource Officers (SROs) at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers, and authorizing the City Manager to execute the Agreement.
· Resolution approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-434 (Jackman/Hawn; unan) approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
16. Consider accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.
· Resolution accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-435 (Jackman/Hawn; unan) accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.

CONSENT
17. Consider accepting the Department of Justice award funds of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.
· Resolution accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests recommended.
· Resolution amending the 2005/06 operating budget to estimate revenue recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-436 (Jackman/Hawn; unan) accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.

ACTION: Resolution 2005-437 (Jackman/Hawn; unan) amending the 2005/06 operating budget to estimate revenue.

REMOVED FROM CONSENT
18. Consider rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.
· Resolution rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals recommended.
Public Works; Adam Denlinger, 577-6300, adenlinger@modestogov.com

ACTION: Resolution 2005-438 (Jackman/Hawn; unan.) rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.

CONSENT
19. Consider adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.
· Resolution adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30 recommended.
Public Works; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2005-439 (Jackman/Hawn; unan) adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.

CONSENT
20. Consider accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.
· Resolution accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-440 (Jackman/Hawn; unan) accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.

CONSENT
21. Consider accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509.
· Resolution accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-441 (Jackman/Hawn; unan) accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total

project cost is $424,509.

CONSENT
22. Consider approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.
· Resolution approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-442 (Jackman/Hawn; unan) approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.

CONSENT
23. Consider approval of Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John J. Machado and Judy A. Machado, Co-Trustees of the Machado Family Trust Agreement, U/D/T).
· Resolution approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-443 (Jackman/Hawn; unan) approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement.

CONSENT
Marsh absent due to conflict
24. Consider approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).
· Resolution approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company) recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-444 (Jackman/Keating; unan. Marsh absent) approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).

CONSENT
25. Consider accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community

Facilities District No 2003-1 and Del Valle Homes, a California corporation.
· Resolution accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-445 (Jackman/Hawn; unan) accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes.

CONSENT
26. Consider approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects and authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.
· Resolution approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects recommended.
· Resolution authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-446 (Jackman/Hawn; unan) approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects

ACTION: Resolution 2005-447 (Jackman/Hawn; unan) authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.

CONSENT
27. Consider accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 and amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.
· Resolution accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 recommended.
· Resolution amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000 recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-448 (Jackman/Hawn; unan) accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000.

ACTION: Resolution 2005-449 (Jackman/Hawn; unan) amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.

CONSENT
Dunbar absent due to conflict
28. Consider approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the

amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.
· Resolution approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006 recommended
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-450 (Jackman/Hawn; unan. Dunbar absent) approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.

CONSENT
29. Consider accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto.
· Resolution accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City recommended.
· Resolution amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves recommended.
Public Works, Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2005-451 (Jackman/Hawn; unan) accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City.

ACTION: Resolution 2005-452 (Jackman/Hawn; unan) amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves.

COUNCIL COMMENTS & REPORTS

None.

WRITTEN COMMUNICATIONS

30. Request from Carmen Sabatino, former Mayor of Modesto, regarding "a Charter Committee comprised of the President of the Stanislaus County Bar Association, two retired judges and two attorneys from different law firms would be formed to define the duties and responsibilities of the City Attorney's Office."

ACTION: Removed from the agenda at the request Carmen Sabatino.

UNFINISHED BUSINESS

It has been requested that this item be removed from the Agenda.
31. Consider (1) implementing the City's Last, Best, Final Offer to Modesto City Employees' Association (MCEA) for the timeframe of September 6, 2005 through July 23, 2007, unless otherwise noted; (2) approving the Class Range Table for MCEA; and (3) amending the FY 05-06 Operating Budget to transfer $932,800 from various Fund reserves ($345,136 from the General Fund Reserve and $587,664 from other Fund reserves) to various accounts in departments' operating budgets.
· Motion removing this item from the Agenda recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: This item was removed from the agenda.

HEARINGS

32. Hearing to consider the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.
· Resolution denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-453 (Dunbar/Hawn; unan. denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.

This item is continued to October 11, 2005.
33. Hearing to consider an appeal from Bill and Veronica Loretelli of a staff decision denying a request for CFF reimbursement for excess right-of-way dedication at the southwest corner of Coffee Road and Claratina Avenue, Loretelli Manor Subdivision.
· Motion continuing the hearing to October 11, 2005 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) continued the hearing to October 11, 2005.

This item was continued from August 9, 2005.
34. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) and canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-454 (Jackman/Hawn; unan.) consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8).

ACTION: Resolution 2005-455 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

This item was continued from August 9, 2005.
Councilmember Marsh absent due to conflict of interest

35. Hearing to consider the appeal by NA Engineering and Development Company to a decision by the Planning Commission denying the application of NA Engineering and Development Company for a Tentative Parcel Map to divide an 8.45-Acre Property into two parcels, property located on the southeast corner of Roselle and Hillglen Avenues.
· Resolution denying the appeal and upholding the decision of the Planning Commission recommended.
Community & Economic Development; Josh Bridegroom, 571-5808, jbridegroom@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.; Marsh, absent) **continued the public hearing to October 11, 2005** to give staff time to negotiate an agreement with the landowner related to the acquisition of right-of-way for alignment of Hillglen for this project, and directed staff to investigate the possibility of funding the roundabout.

NEW BUSINESS

Study Session Item
36. Consider receipt of the Modesto Police Department's Auto Theft Report for 2004.
· Motion receiving the Modesto Police Department's Auto Theft Report for 2004 recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: By order of the Chair received the Modesto Police Department's Auto Theft Report for 2004.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

The meeting adjourned at 8:46 p.m.

CLOSED SESSION

All closed sessions heard prior to the Council meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Employees Association

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases.

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2005-0164027-00
Thursday, SEP 08, 2005 16:26:43
Ttl Pd $0.00 Nbr-0001886476
OBI/R1/1-4

Recording requested by and
when recorded, please return to:

Jean Zahr, City Clerk
City of Modesto
1010 - 10th Street
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 8)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on September 6, 2005. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien..

Notice is further given that, as a result of this annexation (Annexation No. 8), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 8), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
084-002-041	Kenneth M. Moody, a Widower, as to an undivided 50% interest; Kenneth Myles Moody, Trustee of the Examination Trust created by The Will of Carolyn Jean Moody, Decreased, as to an undivided 49.18% interest and Kenneth Myles Moody, Trustee of the Martial Trust created under the Will of Carolyn Jean Moody, Deceased, as to an undivided .82% interest, as Tenants in Common
085-050-001	G.K. Construction Company, Inc., a California Corporation

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 8 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on June 29, 2005, in Book of Maps of Assessment and Community Facilities Districts, at page 20, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information

concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: September 7, 2005

Jean Zahr
Jean Zahr
City Clerk of the City of Modesto

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 11/30/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 9-7-2005 before me, Esther Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ [Seal]

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC · CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-424

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 9)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village

One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99; and the map entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2; and the map entitled "Annexation Map No. 6 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7; and the map entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 (Village One #2), As Amended," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 12; and the map entitled "Annexation Map No. 8 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 20.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 9 of Community Facilities District No. 2004-1 (Village One #2), of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of

the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, October 11, 2005, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the

public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 6th day of September 2005, by Councilmember Jackman,

who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: [signature]
MICHAEL D. MILICH, City Attorney

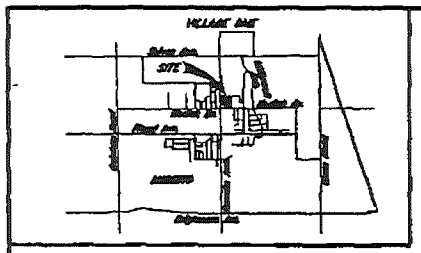
THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map



VICINITY MAP

NOT TO SCALE

Filed this ____ day of _____, 2004, at the hour of ___ o'clock ___ m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDBERG, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 9 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2004, by its Resolution No. _____.

JEAN DAHL, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2004.

JEAN DAHL, City Clerk

By: _____

Print Name

BASIS OF BEARINGS

The bearing of N 00°47'00" W between GPS monuments 3027 and 3037 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1998 in Book 32 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from field to ground.

= Property to be annexed

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 30, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 88, in Office of the County Recorder, of the County of Stanislaus, State of California.

A map of Annexation No. 1 to the District was recorded on March 30, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 89, in that office (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)" recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 92, in that office).

A map of Annexation No. 2 to the District was recorded on May 21, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 97, in that office.

A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 98, in that office.

A map of Annexation No. 4 to the District was recorded on September 13, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99, in that office.

A map of Annexation No. 5 to the District was recorded on October 20, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that office.

A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 3, in that office.

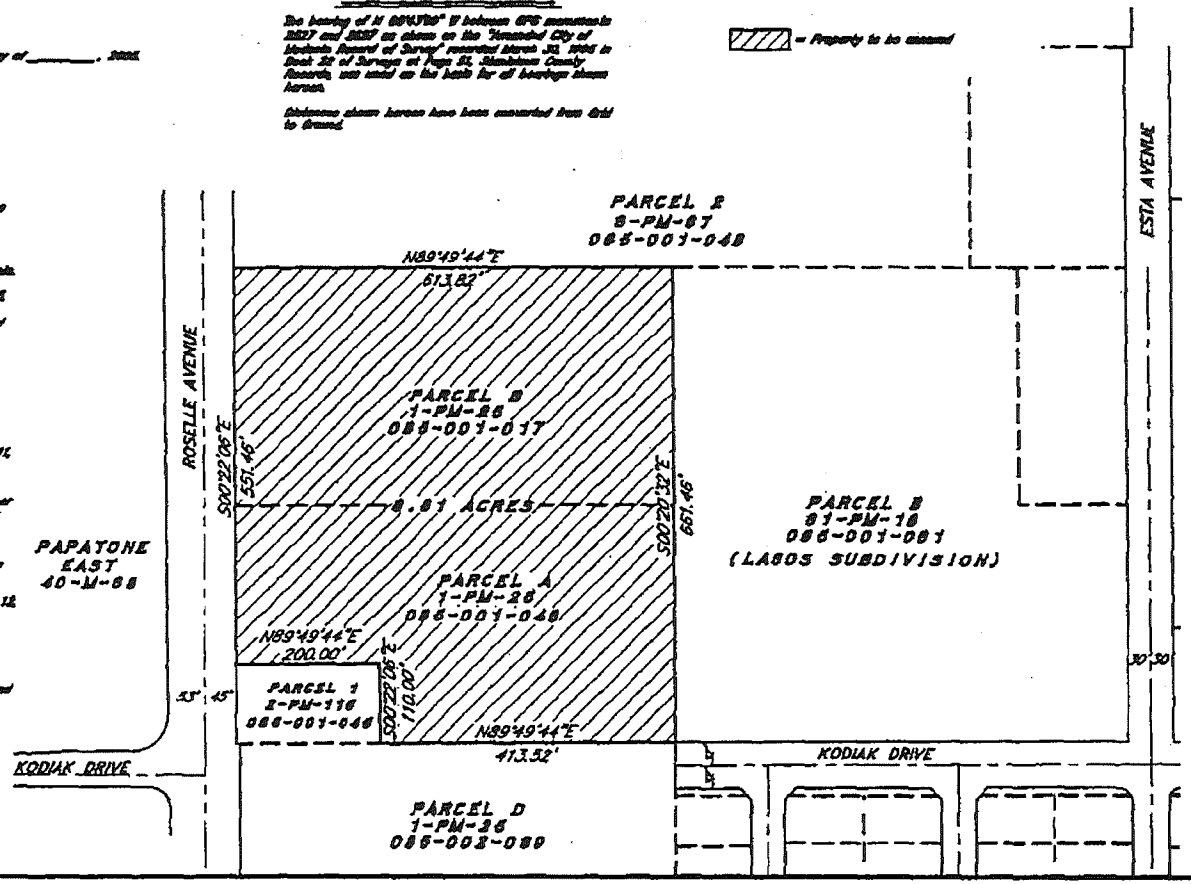
A map of Annexation No. 7 to the District was recorded on May 6, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 12, in that office (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 6, in that office).

A map of Annexation No. 8 to the District was recorded on June 22, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 20, in that office.

JEAN DAHL, City Clerk

By: _____

Print Name



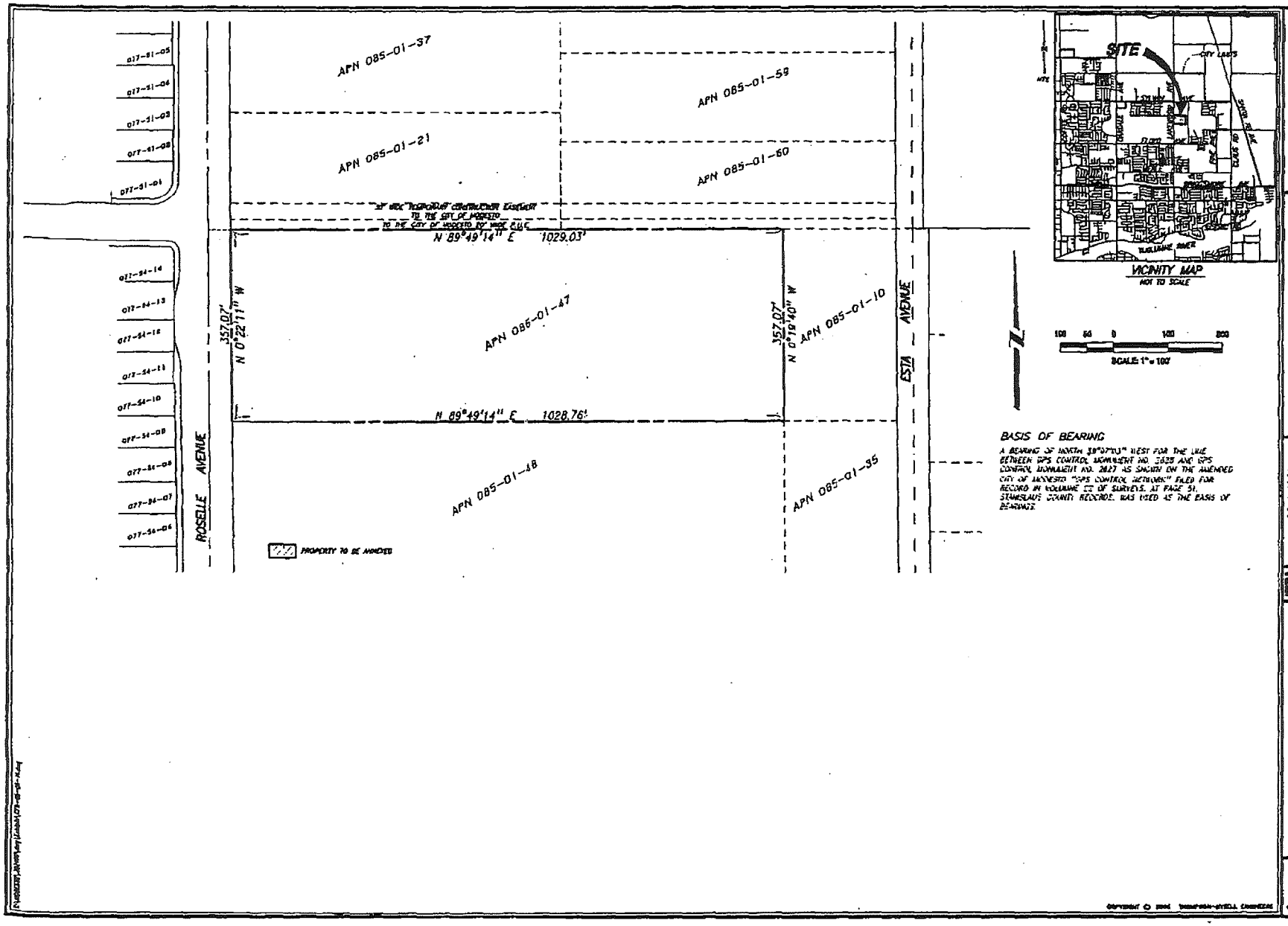
Drawn	DMV				
Date	08/23/05				
Scale	1"=100'				
Job No.	85717				
Checked	DMV				
File					

SHEET 1. OF 5.

ANNEXATION MAP NO. 9 OF

COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA



THOMPSON-HYSELL ENGINEERS

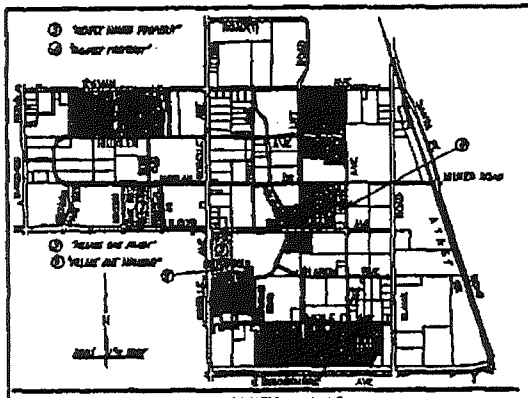
ANNEXATION MAP NO. 9
OF COMMUNITY FACILITIES DISTRICT
NO. 2004-1 (VILLAGE ONE 60)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

SHEET NUMBER 2 OF 8 SHEETS

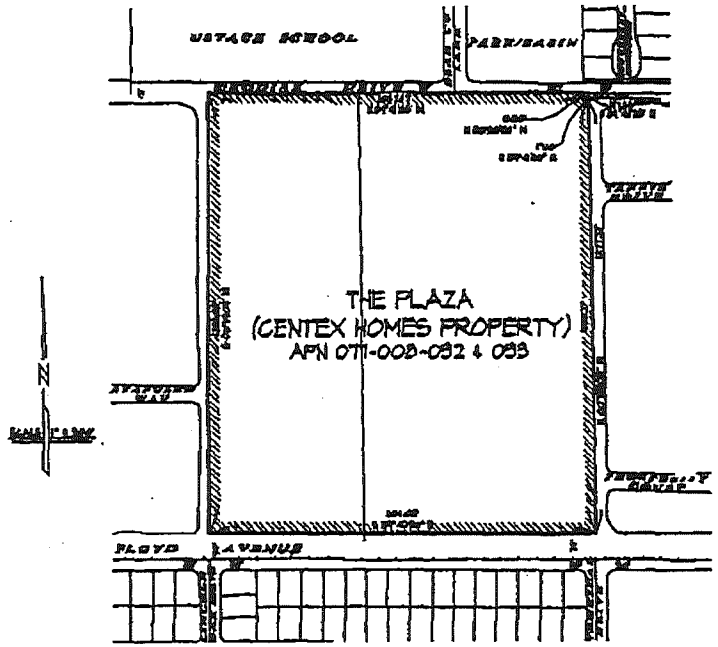
ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ



VICINITY MAP



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

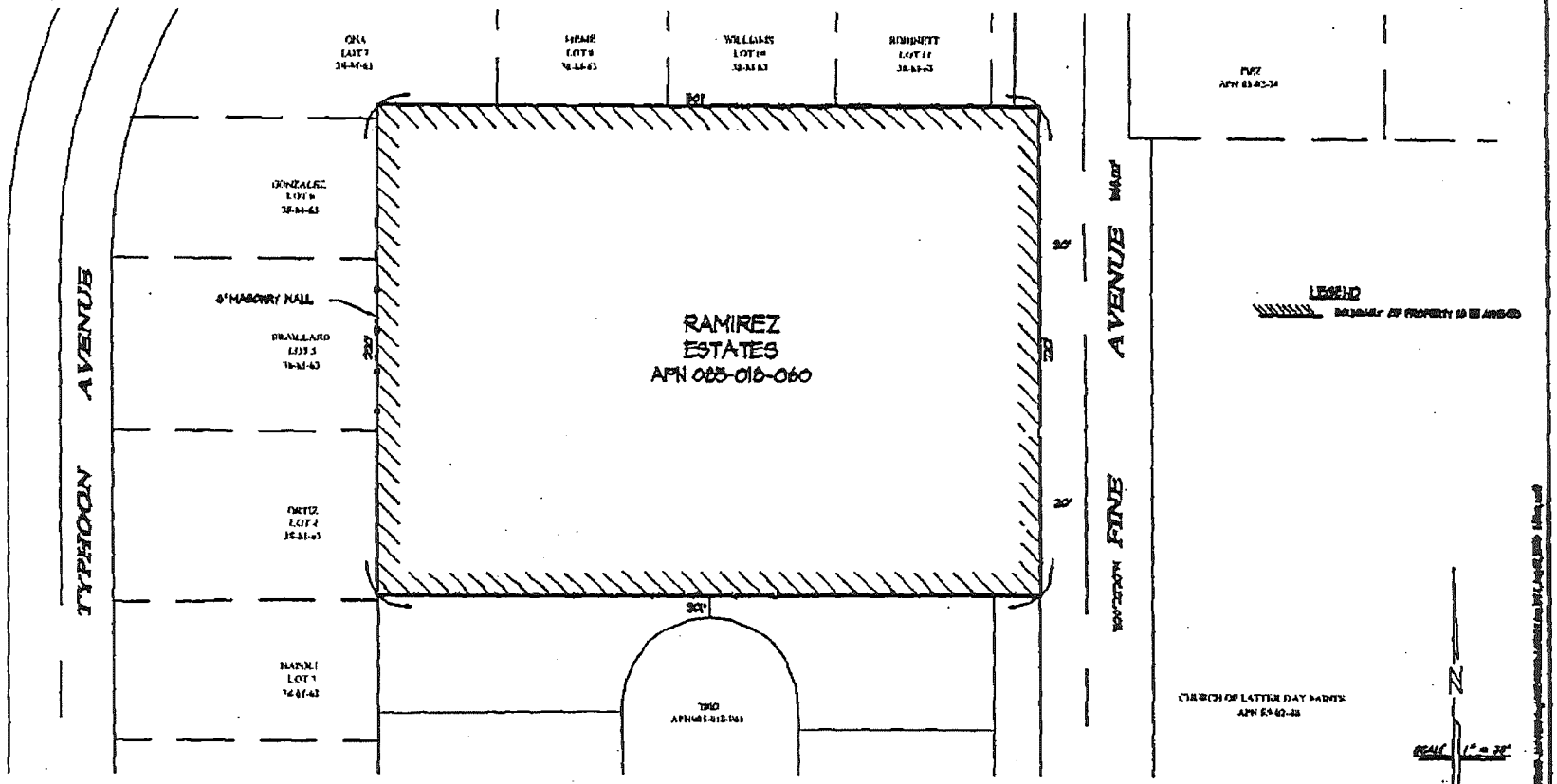
SHEET 5 OF 5 SHEETS

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ



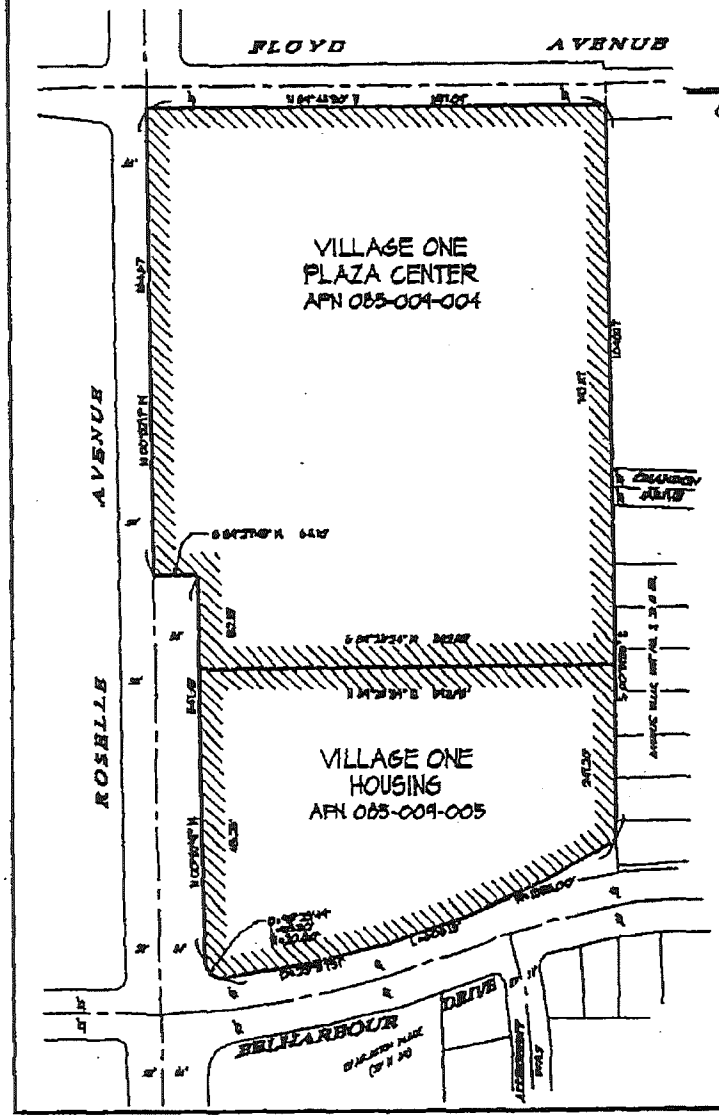
SHEET 4 OF 5 SHEETS

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

SCALE: 1" = 100'

N

SHEET 5 OF 5 SHEETS

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 6, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Peter Gartner

City Clerk's Announcements Item 6 moved to follow Item 34
Item 18 removed from Consent
Item 30 and 31 removed from the agenda
Medical Marijuana item scheduled for September 27

Declaration of Conflicts of Interest: Hawn - Item 4
Dunbar - Item 4 and 28
Marsh - Item 24 and 35

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to the Modesto Symphony in honor of their 75th Anniversary.

ACTION: Proclamation presented by Mayor Ridenour.

MISCELLANEOUS
Appointments

2. Consider appointments to the following boards, commissions and committees:

a. Bill Zoslocki, to the Airport Advisory Committee
· Resolution appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007 recommended.

b. Julie Walton, to the Citizens Advisory Committee on Recycling

· Resolution appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

c. Mary Dewing, to the Tuolumne River Regional Park Citizens Advisory Committee
· Resolution appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

City Manager's Office; George Britton, 577-5404, gbritton@modestogov.com

ACTION: Resolution 2005- 418 (Jackman/Keating; unan.) appointing Bill Zoslocki to the Airport Advisory Committee with a term ending January 1, 2007.

ACTION: Resolution 2005- 419 (Jackman/Keating; unan.) appointing Julie Walton to the Airport Advisory Committee with a term ending January 1, 2008.

ACTION: Resolution 2005- 420 (Jackman/Keating; unan.) appointing Mary Dewing to the Tuolumne River Regional Park Citizens Advisory Committee with a term ending January 1, 2007.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Rita Alvarez expressed her concern with individuals selling cars near her used car business.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 29

ACTION Consent Items 3, 5, 7-17, 19-23, 25-27, 29: Jackman/Hawn; unan.

ACTION Item 4: Jackman/Marsh; unan. Dunbar and Hawn absent

ACTION Item 6: Jackman/Hawn; unan.

ACTION Item 18: Jackman/Hawn, unan.

ACTION Item 24: Jackman/Keating; unan. Marsh absent

ACTION Item 28: Jackman/Hawn; unan. Dunbar absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of August 9, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Hawn; unan.) approved the Minutes of August 9, 2005.

CONSENT
Hawn absent due to conflict
Dunbar and Hawn were absent at introduction of Ordinance
4. Consider approving final adoption of Ordinance No. 3393-C.S. amending Section 2

of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas).
· Motion approving final adoption of Ordinance No. 3393-C.S. amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas) recommended.
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Marsh; unan. Dunbar and Hawn absent) approved the **final adoption of Ordinance No. 3393-C.S.** amending Section 2 of Ordinance No. 3337-C.S. entitled "An Ordinance Amending Section Map 28-3-9 of Zoning Map to rezone from Planned Development Zone, P-D(480), to Planned Development Zone, P-D(563), property located on the east corner of 16th Street and G Street.(Pratt)" (Simvolukas)

CONSENT
5. Consider declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD; and consider declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD; and approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.
· Resolution declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD recommended.
· Resolution declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD recommended.
· Resolution approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-421 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to establish City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) ("CFD") and to authorize the levy of a special tax within said CFD.

ACTION: Resolution 2005-422 (Jackman/Hawn; unan.) declaring the City of Modesto's intent to incur bonded indebtedness in the amount not to exceed $150 million within the proposed CFD.

ACTION: Resolution 2005-423 (Jackman/Hawn; unan.) approving an Advanced Funding Agreement with Shelter Cove Community Church, Inc. and authorizing the City Manager to execute the Agreement.

CONSENT - Moved to follow Item 34
6. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9).
· Resolution of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-424 (Jackman/Hawn; unan) of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2). (Annexation No. 9).

CONSENT
7. Consider approving monthly budget adjustments for August 2005.

· Resolution approving monthly budget adjustments for August 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-425 (Jackman/Hawn; unan) approving monthly budget adjustments for August 2005.

CONSENT
8. Consider authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.
· Resolution authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-426 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to solicit formal Request for Bids (RFB) for the printing of Modesto Area Express (MAX) Ride Guides for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $34,858.

CONSENT
9. Consider authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.
· Resolution authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-427 (Jackman/Hawn; unan) authorizing the Purchasing Supervisor to purchase two Vac-Con Combination Sewer & Storm Drain Cleaners from Municipal Maintenance Equipment for an estimated total cost of $551,709.72.

CONSENT
10. Consider approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project.
· Resolution approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract recommended.
Parks, Recreation & Neighborhoods; Nathan G. Houx, (209) 571-5526, nhoux@modestogov.com

ACTION: Resolution 2005-428 (Jackman/Hawn; unan) approving an agreement with Architecture Plus, Inc. for professional architectural services to prepare Design Development and Construction Documents for the King-Kennedy Memorial Center Kitchen and Auditorium Renovation Project, and authorizing the City Manager to execute the contract

CONSENT
11. Consider approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.
· Resolution approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to

the City's deferred compensation program and authorizing the City Manager to execute said agreement recommended.
Personnel; Mary Akin, 577-5251, makin@modestogov.com

ACTION: Resolution 2005-429 (Jackman/Hawn; unan) approving an agreement with International City Management Association Retirement Corporation (ICMA - RC) Sidecar IRAs, and the 401/457 Loan Program to the City's deferred compensation program and authorizing the City Manager to execute said agreement.

CONSENT
12. Consider approving an agreement with Sylvan Union School District for a Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.). The City shall be compensated $50,459.00 for the services of this police officer.
· Resolution approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-430 (Jackman/Hawn; unan) approving an agreement for the provision of one Modesto Police Officer to instruct the Drug Abuse Resistance Education (D.A.R.E.) and act as a School Resource Officer (SRO) for the Sylvan Union School District and authorizing the City Manager, or his designee, to execute the agreement.

CONSENT
13. Consider approving an agreement with Modesto City Schools for High Risk Intervention Team Police Officer. The City of Modesto shall be compensated $96,600 to fully fund the project.
· Resolution approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-431 (Jackman/Hawn; unan) approving an agreement for the provision of one full-time Modesto Police Officer to serve as a member of the High Risk Intervention Team and authorizing the City Manager, or his designee, to execute the agreement

ACTION: Resolution 2005-432 (Jackman/Hawn; unan) amending the 2005/06 budget, estimating revenue and appropriating funds of $11,600 to completely fund the project of $96,600, of which $85,000 has already been appropriated

CONSENT
14. Consider approving an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
· Resolution approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-433 (Jackman/Hawn; unan) approving recommended an agreement with Modesto City Schools for seven School Resource Officers (SROs) at Beyer, Davis, Downey, Johansen, and Modesto High Schools, Elliot Alternative Education Center, and Roosevelt Junior High School. The City shall be compensated $324,502. to fund the services of seven Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
15. Consider approving an agreement with Modesto City Schools for four School Resource Officers (SROs) at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers, and authorizing the City Manager to execute the Agreement.
· Resolution approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement recommended.
Police; Ron Reid, 572-9162, reidr@modestopd.com

ACTION: Resolution 2005-434 (Jackman/Hawn; unan) approving an agreement with Modesto City Schools for four School Resource Officers at Marshall and Franklin Elementary Schools, and Mark Twain and La Loma Junior High Schools. The City shall be compensated $129,430 to fund the services of four Modesto Police Officers and authorizing the City Manager to execute the Agreement.

CONSENT
16. Consider accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.
· Resolution accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-435 (Jackman/Hawn; unan) accepting the annual report regarding retired police canine purchases, by their handlers, in 2004-05, as required by Modesto City Council Resolution No. 99-370, and authorizing the purchase of retired canines, by their handlers, and approving the agreements for purchase.

CONSENT
17. Consider accepting the Department of Justice award funds of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.
· Resolution accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests recommended.
· Resolution amending the 2005/06 operating budget to estimate revenue recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-436 (Jackman/Hawn; unan) accepting award funding of $13,793.43 for a Bulletproof Vest Partnership (BVP) Program under the U.S. Department of Justice (DOJ) for armor vests.

ACTION: Resolution 2005-437 (Jackman/Hawn; unan) amending the 2005/06 operating budget to estimate revenue.

REMOVED FROM CONSENT
18. Consider rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.
· Resolution rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals recommended.
Public Works; Adam Denlinger, 577-6300, adenlinger@modestogov.com

ACTION: Resolution 2005-438 (Jackman/Hawn; unan.) rejecting all bids for the development and implementation of a Stormwater Management Program and authorizing staff to re-advertise the Request for Proposals.

CONSENT
19. Consider adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.
· Resolution adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30 recommended.
Public Works; Vickey Dion, 571-5542, vdion@modestogov.com

ACTION: Resolution 2005-439 (Jackman/Hawn; unan) adopting a policy to require the installation of certain storm drainage improvements prior to any development in the Village One Precise Plan Area #30.

CONSENT
20. Consider accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.
· Resolution accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-440 (Jackman/Hawn; unan) accepting the work by On Grade Contracting, Inc., for the "Sewer Extension to 2336 Sylvan Avenue" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $57,377 per the contract. Total project cost is $159,007.

CONSENT
21. Consider accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509.
· Resolution accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total project cost is $424,509 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-441 (Jackman/Hawn; unan) accepting the work by Collins Electrical Company, Inc., for the "Traffic Signal Modifications at 7 Locations" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $399,593 per the contract. Total

project cost is $424,509.

CONSENT
22. Consider approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.
· Resolution approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-442 (Jackman/Hawn; unan) approving a fourth Amendment to Agreement with Dokken Engineering in the amount of $22,507.65, to revise the revegetation plan for the project titled "Replacement of the 9th Street Bridge over Tuolumne River," and authorizing the City Manager to execute said Amendment to Agreement.

CONSENT
23. Consider approval of Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John J. Machado and Judy A. Machado, Co-Trustees of the Machado Family Trust Agreement, U/D/T).
· Resolution approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-443 (Jackman/Hawn; unan) approving the Final Map of The Trails at Dry Creek Subdivision and authorizing the City Manager to execute the Subdivision Agreement.

CONSENT
Marsh absent due to conflict
24. Consider approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).
· Resolution approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company) recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-444 (Jackman/Keating; unan. Marsh absent) approval of final map of the Lagos Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdividers as required by Section 4?4.604(c) of the Municipal Code. (Owners: John Lagos and Marie T. Lagos, husband and wife, as community property and Burkshire Estates, A California Limited Liability Company).

CONSENT
25. Consider accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community

Facilities District No 2003-1 and Del Valle Homes, a California corporation.
· Resolution accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-445 (Jackman/Hawn; unan) accepting a portion of the subdivision improvements installed with the Galas Brothers Unit Nos. 1 and 2 Subdivisions as described on "Exhibit A" in the Acquisition and Shortfall Agreement #1 between the City of Modesto Community Facilities District No 2003-1 and Del Valle Homes.

CONSENT
26. Consider approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects and authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.
· Resolution approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects recommended.
· Resolution authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-446 (Jackman/Hawn; unan) approving an update to the Disadvantaged Business Enterprise (DBE) Program for federally funded street, airport, and transit projects

ACTION: Resolution 2005-447 (Jackman/Hawn; unan) authorizing the City Manager to pay up to $2,000 for participation in the Unified Certification Program (UCP) for certifying DBE contractors.

CONSENT
27. Consider accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 and amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.
· Resolution accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000 recommended.
· Resolution amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000 recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-448 (Jackman/Hawn; unan) accepting the Office of Traffic Safety (OTS) grant in the amount of $110,000, with a City match of $40,000.

ACTION: Resolution 2005-449 (Jackman/Hawn; unan) amending the Fiscal Year 05/06 Capital Improvement Program (CIP) budget accepting the grant funds and establishing one new CIP project titled, "Pedestrian and Bicyclist Safety Enhancement," in the amount of $150,000.

CONSENT
Dunbar absent due to conflict
28. Consider approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the

amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.
· Resolution approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006 recommended
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-450 (Jackman/Hawn; unan. Dunbar absent) approving the installation of speed humps in the Sherwood Forest Subdivision and amending the 2005/2006 budget to recognize and appropriate neighborhood participation, per the City of Modesto Speed Hump Policy, in the amount of $18,200 for the installation of speed humps in the Sherwood Forest Subdivision for fiscal year 2005/2006.

CONSENT
29. Consider accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto.
· Resolution accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City recommended.
· Resolution amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves recommended.
Public Works, Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2005-451 (Jackman/Hawn; unan) accepting a $550,000 Grant from the Small Community Air Service Development Program, U.S. Department of Transportation, for airline startup incentives to attract additional airline routes to Modesto, approving the Grant Agreement and authorize the City Manager, or his designee, to execute the Grant Agreement on behalf of the City.

ACTION: Resolution 2005-452 (Jackman/Hawn; unan) amending the 2006 Operating Budget to appropriate $705,000 to the Department of Transportation Air Service Development Grant Account (6310-440-5415) and to budget appropriate revenues, which are $550,000 in grant funds from the Small Community Air Service Development Program, U.S. Department of Transportation, and $155,000 Local Share funding, which includes $35,000 from Airport Fund Reserves.

COUNCIL COMMENTS & REPORTS

None.

WRITTEN COMMUNICATIONS

30. Request from Carmen Sabatino, former Mayor of Modesto, regarding "a Charter Committee comprised of the President of the Stanislaus County Bar Association, two retired judges and two attorneys from different law firms would be formed to define the duties and responsibilities of the City Attorney's Office."

ACTION: Removed from the agenda at the request Carmen Sabatino.

UNFINISHED BUSINESS

It has been requested that this item be removed from the Agenda.
31. Consider (1) implementing the City's Last, Best, Final Offer to Modesto City Employees' Association (MCEA) for the timeframe of September 6, 2005 through July 23, 2007, unless otherwise noted; (2) approving the Class Range Table for MCEA; and (3) amending the FY 05-06 Operating Budget to transfer $932,800 from various Fund reserves ($345,136 from the General Fund Reserve and $587,664 from other Fund reserves) to various accounts in departments' operating budgets.
· Motion removing this item from the Agenda recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: This item was removed from the agenda.

HEARINGS

32. Hearing to consider the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.
· Resolution denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-453 (Dunbar/Hawn; unan. denying the appeal of JET Investments regarding Kansas Avenue Auto Center for modification of Capital Facilities Fees.

This item is continued to October 11, 2005.
33. Hearing to consider an appeal from Bill and Veronica Loretelli of a staff decision denying a request for CFF reimbursement for excess right-of-way dedication at the southwest corner of Coffee Road and Claratina Avenue, Loretelli Manor Subdivision.
· Motion continuing the hearing to October 11, 2005 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Jackman/Keating; unan.) continued the hearing to October 11, 2005.

This item was continued from August 9, 2005.
34. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) and canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8) recommended.
· Resolution canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-454 (Jackman/Hawn; unan.) consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 8).

ACTION: Resolution 2005-455 (Jackman/Hawn; unan.) canvassing the results of the special election and ordering annexation of the additional territory to Community Facilities District No. 2004-1.

This item was continued from August 9, 2005.
Councilmember Marsh absent due to conflict of interest

35. Hearing to consider the appeal by NA Engineering and Development Company to a decision by the Planning Commission denying the application of NA Engineering and Development Company for a Tentative Parcel Map to divide an 8.45-Acre Property into two parcels, property located on the southeast corner of Roselle and Hillglen Avenues.
· Resolution denying the appeal and upholding the decision of the Planning Commission recommended.
Community & Economic Development; Josh Bridegroom, 571-5808, jbridegroom@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan.; Marsh, absent) **continued the public hearing to October 11, 2005** to give staff time to negotiate an agreement with the landowner related to the acquisition of right-of-way for alignment of Hillglen for this project, and directed staff to investigate the possibility of funding the roundabout.

NEW BUSINESS

Study Session Item
36. Consider receipt of the Modesto Police Department's Auto Theft Report for 2004.
· Motion receiving the Modesto Police Department's Auto Theft Report for 2004 recommended.
Police; Karen Rabb, 572-9523, rabbk@modestopd.com

ACTION: By order of the Chair received the Modesto Police Department's Auto Theft Report for 2004.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

The meeting adjourned at 8:46 p.m.

CLOSED SESSION

All closed sessions heard prior to the Council meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Employees Association

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: Two cases.

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

SEPTEMBER 20, 2005

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

SEPTEMBER 20, 2005

(Signature)

CITY OF MODESTO
NOTICE OF PUBLIC HEARING

ON THE ANNEXATION OF TERRITORY TOCOMMUNITY FACILITIES DISTRICT NO.20041 (VILLAGE ONE#2),AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORYPROPOSED TO BE ANNEXED
ANNEXATION NO.9

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on September 6, 2005, adopt its Resolution No.2005-424 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of eight parcels identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. Nos. 085-009-005, 085-009-004, 085-018-060, 077-008-032, 077-008-033, 085-001-046, 085-001-017, and 085-001-047. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2005-424. The time and place for the hearing is Tuesday, October 11, 2005 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of one-half or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2005-424. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.
Dated: September 18, 2005
Jean Zohr
City Clerk

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 9 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 9.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

Sept. 19, 2005
Date of Execution

Modesto, California
Place of Execution

Stanislaus County
Striving to be the Best

Douglas Harms
Stanislaus County Assessor

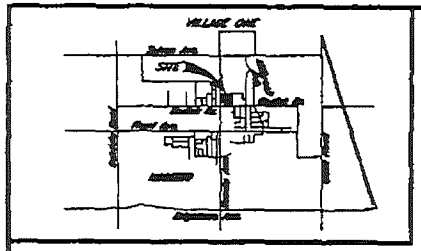
Steve Yauch
Assistant Assessor
Valuation

Don Oppman
Assistant Assessor
Administration

1010 Tenth St., Suite 2400
Modesto, CA 95354-0847

Phone: (209) 525-6461
Fax: (209) 525-6586

A.P.N.	Owner's Names	Owner's Address
085-009-005	Housing Authority of County of Stanislaus	1701 Robertson Rd. Modesto, CA 95351
085-009-004	Best Partners, ET AL	C/O Best Carl E 2580 Sierra Blvd., Ste. E Sacramento, CA 95825
085-018-060	Ramon Ramirez, Jr.	3913 Bayview Modesto, CA 95355-7320
077-008-032	Hashem Naraghi Tr.	17500 Ease Keyes Rd. Denair, CA 95316
077-008-033	Hashem Naraghi, Trustee of the Nora Naraghi Trust	17500 Ease Keyes Rd. Denair, CA 95316
085-001-046	George and Elizabeth Killian	3012 Roselle Ave. Modesto, CA 95355
085-001-017	Aloys A. Fischer , Jr. and Joyce A. Fischer, Trustees, Fishcer Family Trust	P.O. Box 579901 Modesto, CA 95357-5901
085-001-047	Richard W. Fritz, Sr., ET AL	3220 Roselle Ave. Modesto, CA 95355



VICINITY MAP

NOT TO SCALE

Filed this ____ day of _____, 2005, at the hour of ____ o'clock ____ m. in Book ____ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 9 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2005, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

Print Name

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 3537 and 3527 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 38 of Surveys at Page 65, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California; the boundary map for which was recorded on March 16, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 88, in Office of the County Recorder, of the County of Stanislaus, State of California.

A map of Annexation No. 1 to the District was recorded on March 30, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 88, in that office (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)" recorded on May 26, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 89, in that office).

A map of Annexation No. 2 to the District was recorded on May 21, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that office.

A map of Annexation No. 3 to the District was recorded on August 12, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 93, in that office.

A map of Annexation No. 4 to the District was recorded on September 13, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 94, in that office.

A map of Annexation No. 5 to the District was recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that office.

A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that office.

A map of Annexation No. 7 to the District was recorded on May 2, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 12, in that office (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 8, in that office).

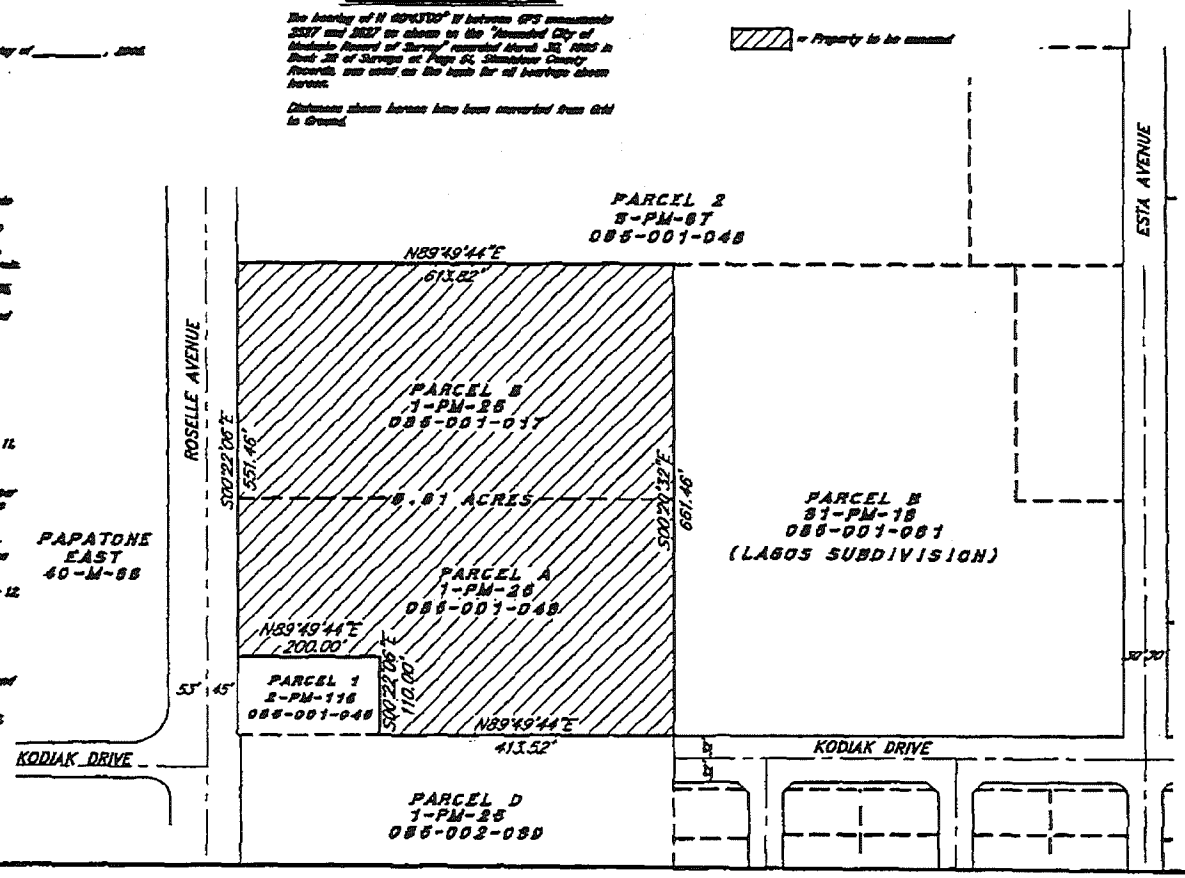
A map of Annexation No. 8 to the District was recorded on June 30, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 20, in that office.

JEAN ZAHR, City Clerk

By: _____

Print Name

= Property to be annexed



SHEET 1. OF 5.

REVISIONS	DATE	BY

Drawn DMV
Date 04/21/05
Scale 1"=100'
Job No. 05118
Checked DMT
File

ANNEXATION MAP NO. 9 OF

COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

MOE
Mid-Valley Engineering

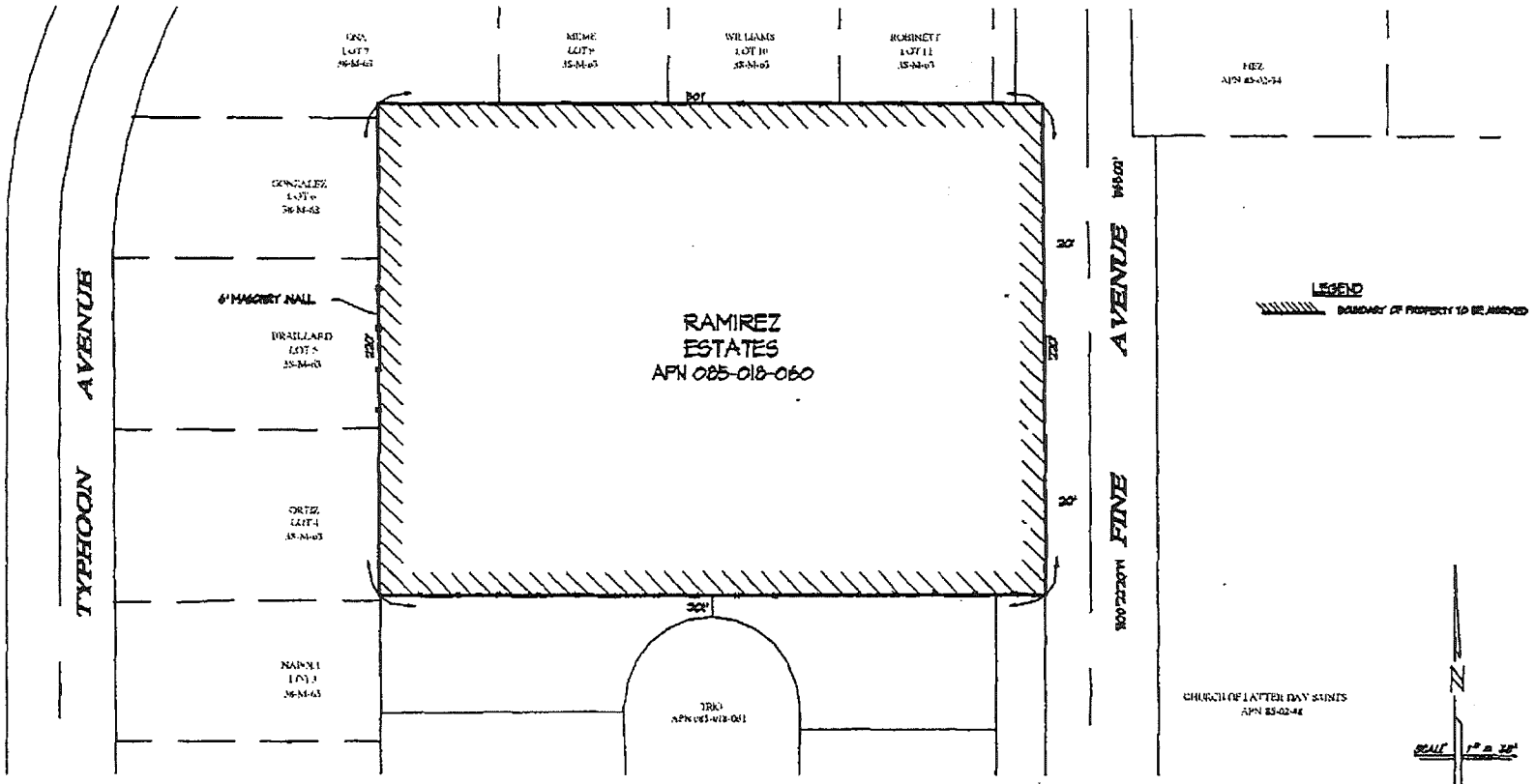
ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ

ENGINEERING AND SURVEYING

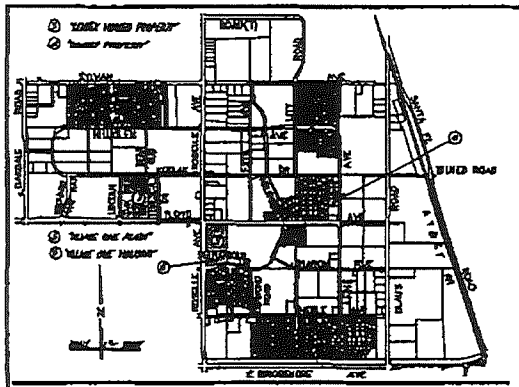


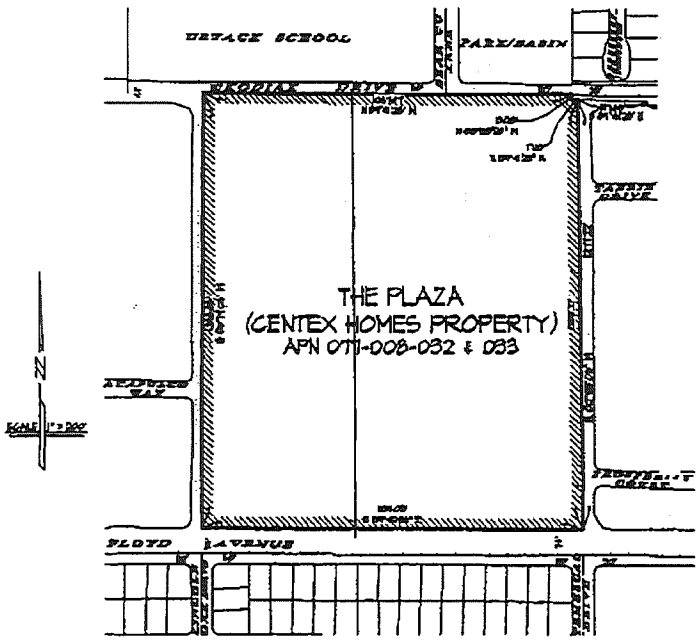
SHEET 4 OF 5 SHEETS

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING

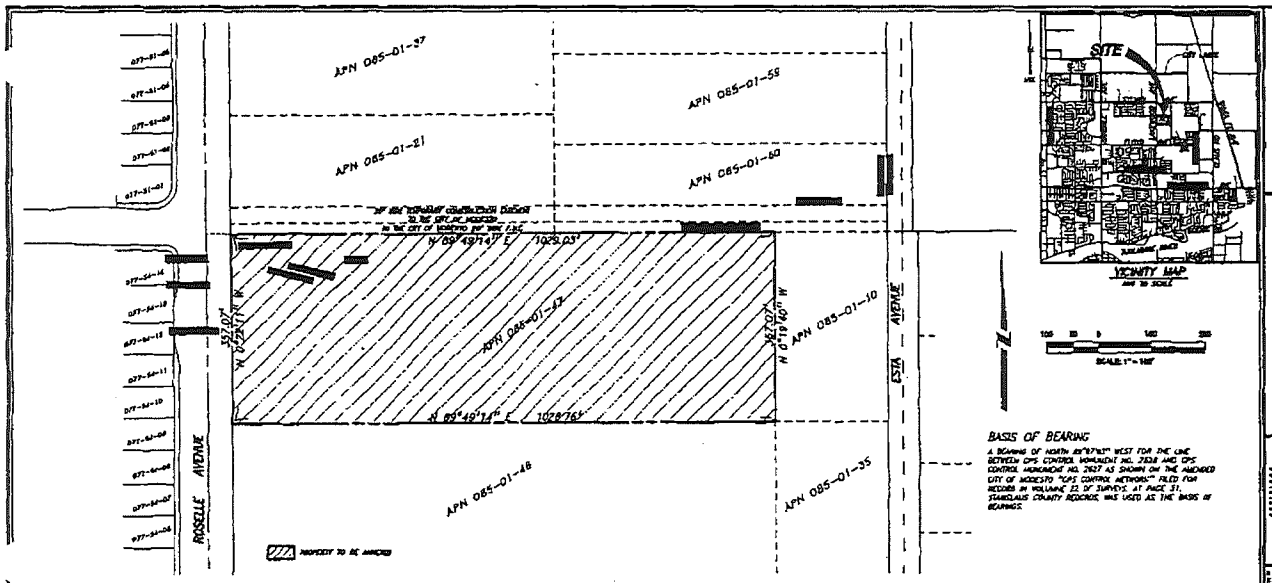




LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

SHEET 3 OF 5 SHEETS



BASIS OF BEARING

A BEARING OF NORTH 89°49'14" WEST FOR THE LINE BETWEEN CPS CONTROL MONUMENT NO. 2938 AND CPS CONTROL MONUMENT NO. 2937 AS SHOWN ON THE ANNEXED CITY OF MODESTO "CPS CONTROL NETWORK" FILED FOR RECORD IN VOLUME 22 OF SURVEYS, AT PAGE 31, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS.

THOMPSON-HYSELL ENGINEERS

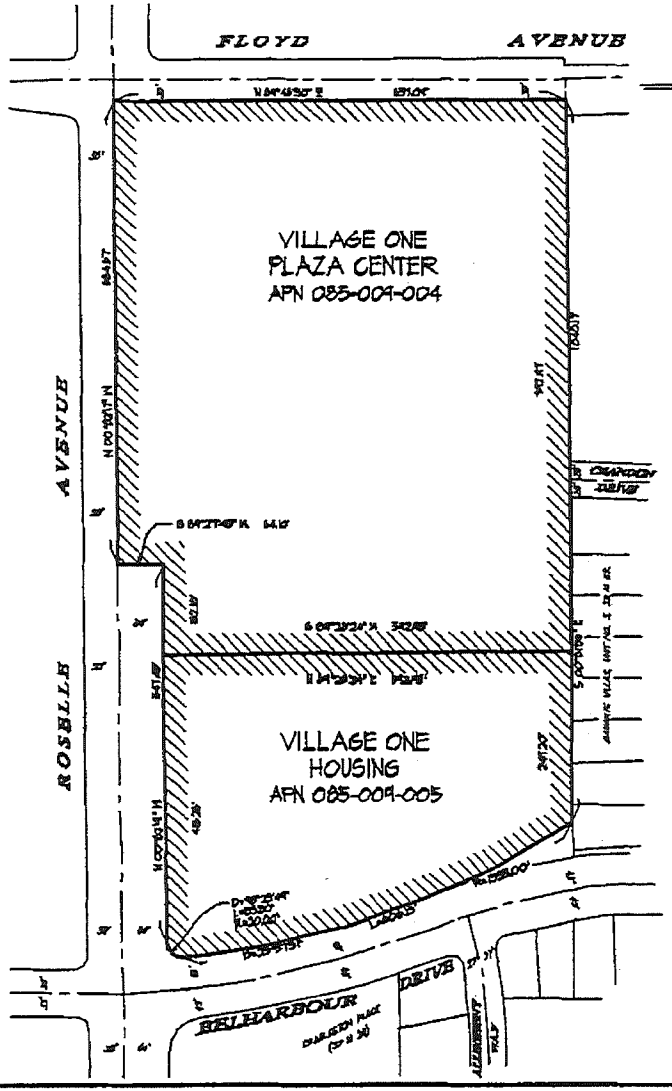
ANNEXATION MAP NO. 9
OF COMMUNITY FACILITIES DISTRICT
NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

SHEET NUMBER
2
OF 6 SHEETS

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING



LEGEND
BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 700'

SHEET 5 OF 5 SHEETS

Stanislaus County
Striving to be the Best

OF' 'E OF COUNTY CLERK-RECORDER

LEE LUNDRIGAN
Clerk-Recorder

Clerk: PO Box 1670, Modesto, CA 95353
Phone: 209.525.5250
Recorder: PO Box 1008, Modesto, CA 95353
Phone: 209.525.5260

CERTIFICATE OF REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 9 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On September 15, 2005, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 3 persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

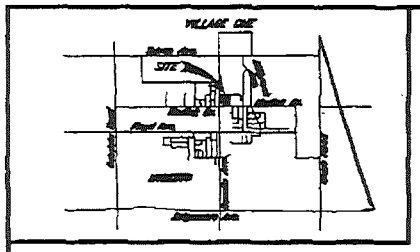
REGISTRAR OF VOTERS OF THE
COUNTY OF STANISLAUS

By: Lee Lundrigan
Lee Lundrigan

September 20, 2005
Date of Execution

Modesto, California
Place of Execution

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



VICINITY MAP

NOT TO SCALE

Filed this ____day of _____, 2005, at the hour of ___o'clock___m. in Book___ of Maps of Assessment and Community Facilities Districts at page(s)_____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LANDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 9 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____day of _____, 2005, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 2527 and 2537 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1988 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

= Property to be annexed

Filed in the Office of the City Clerk of the City of Modesto this ____day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

Print Name

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 16, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 82, in Office of the County Recorder, of the County of Stanislaus, State of California.

A map of Annexation No. 1 to the District was recorded on March 22, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 88, in that office (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)" recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 89, in that office).

A map of Annexation No. 2 to the District was recorded on May 27, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that office.

A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96, in that office.

A map of Annexation No. 4 to the District was recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 98, in that office.

A map of Annexation No. 5 to the District was recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that office.

A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that office.

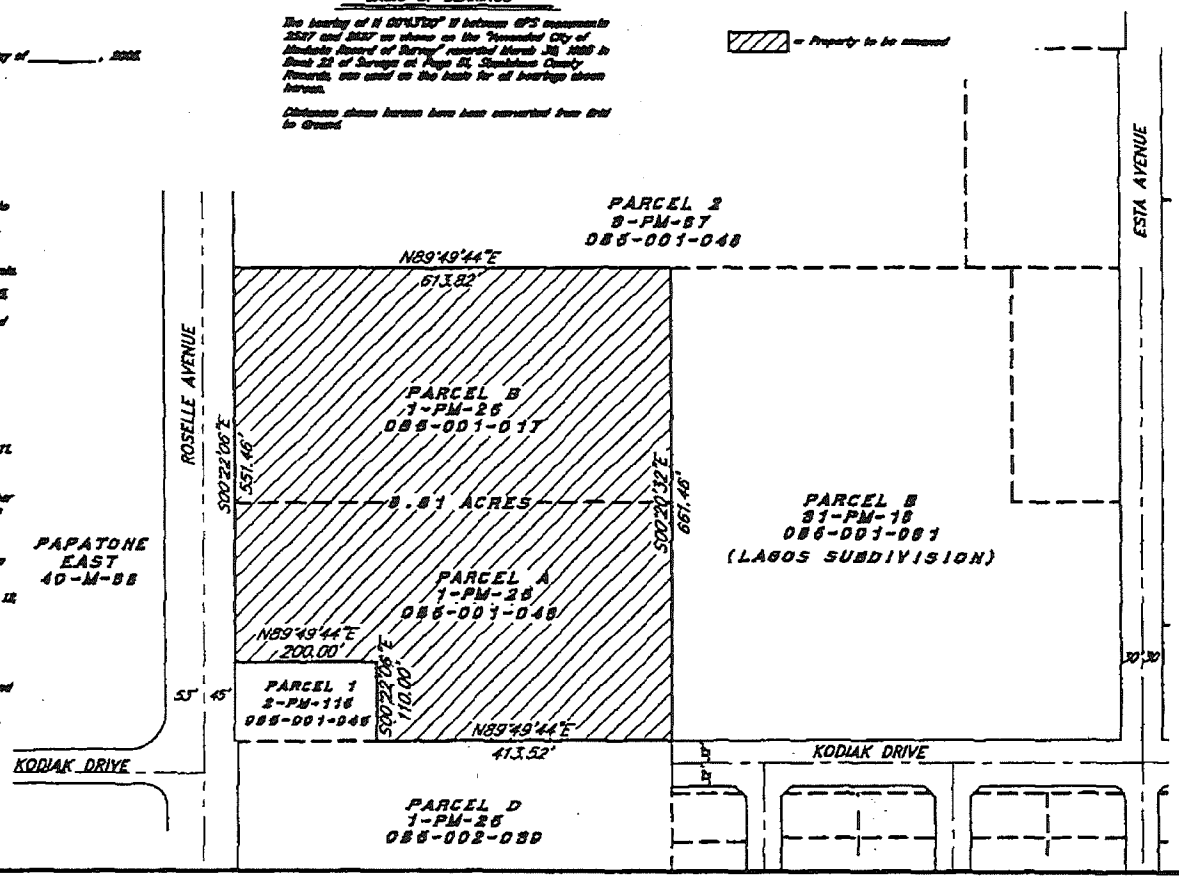
A map of Annexation No. 7 to the District was recorded on May 6, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 12, in that office (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 8, in that office).

A map of Annexation No. 8 to the District was recorded on June 28, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 20, in that office.

JEAN ZAHR, City Clerk

By: _____

Print Name



Sheet 1 of 5

Drawn: DMI
Date: 06/21/05
Scale: 1"=100'
Job No.: 05119
Checked: CMH
File:

ANNEXATION MAP NO. 9 OF

COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

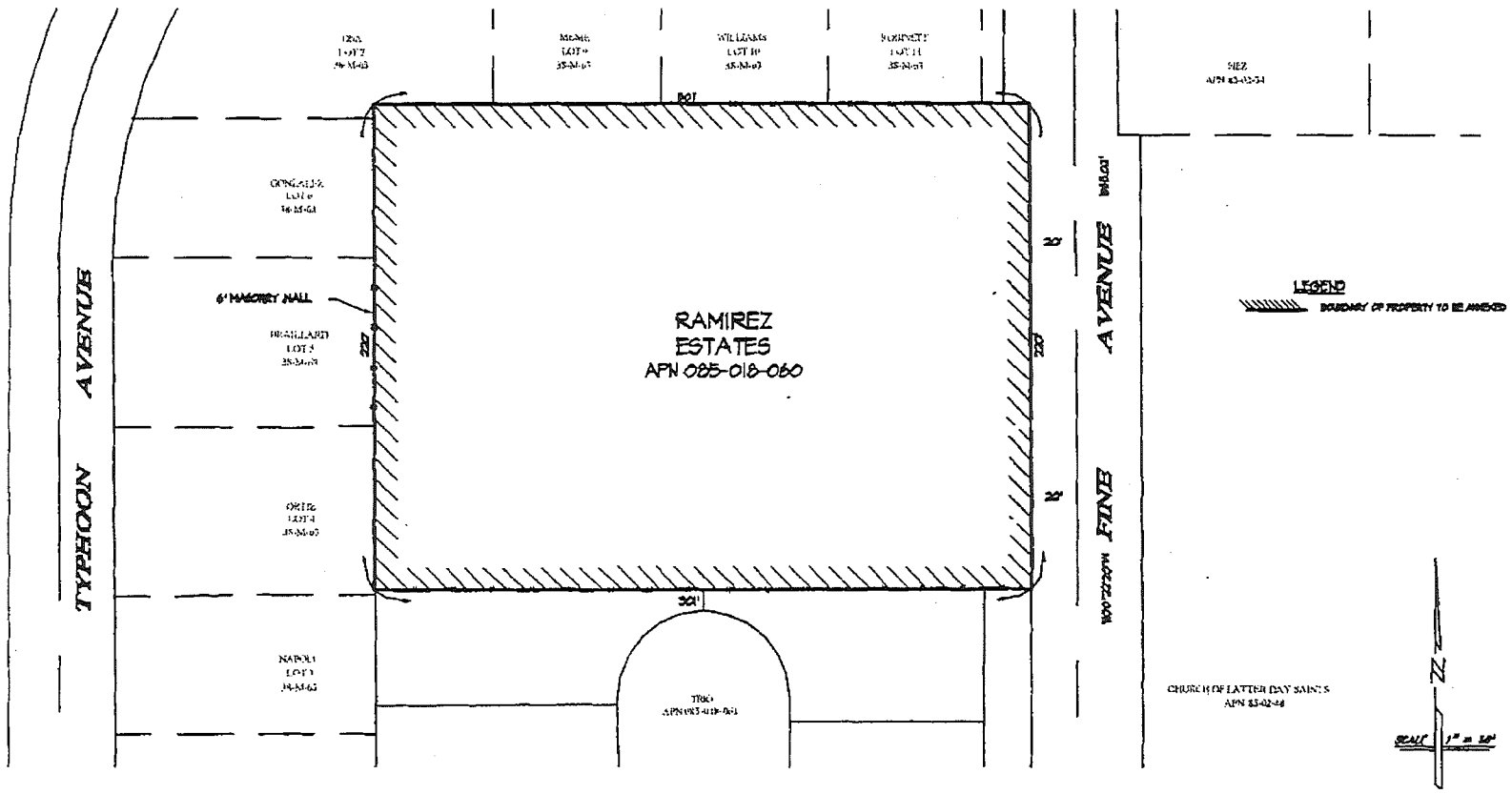
MDE
mid-delta engineering

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING

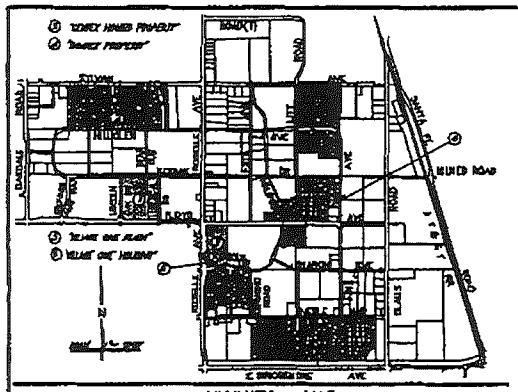


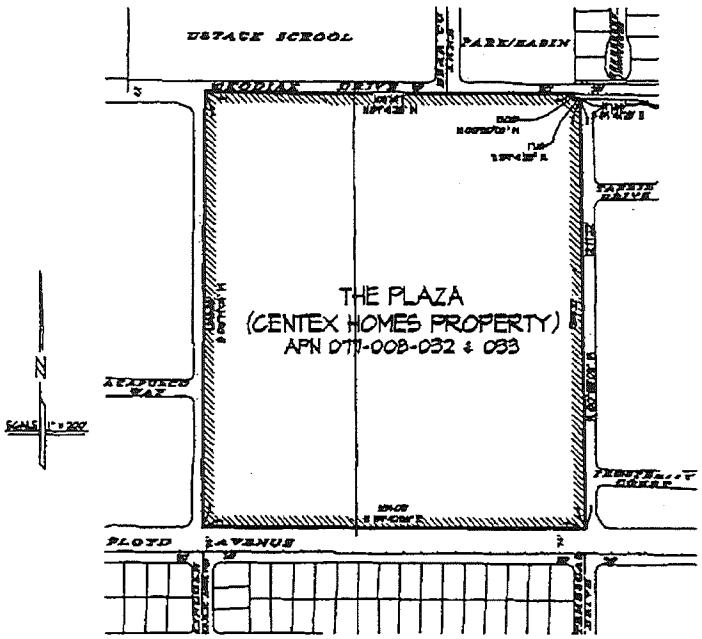
ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING

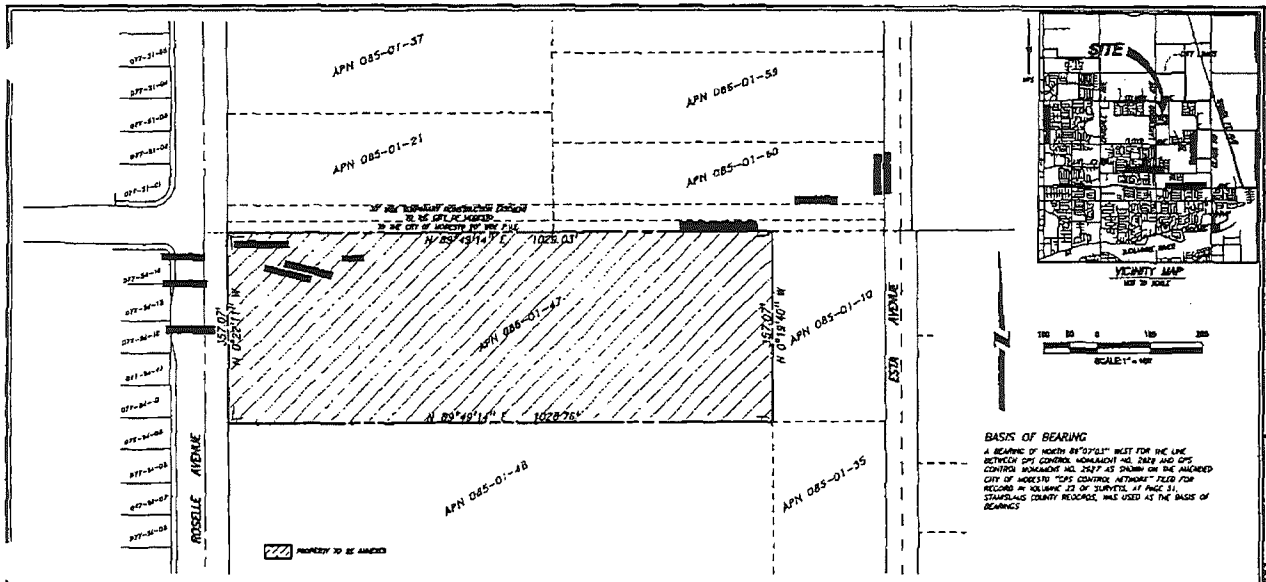




LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

SHEET 3 OF 5 SHEETS



THOMPSON-HYSELL ENGINEERS

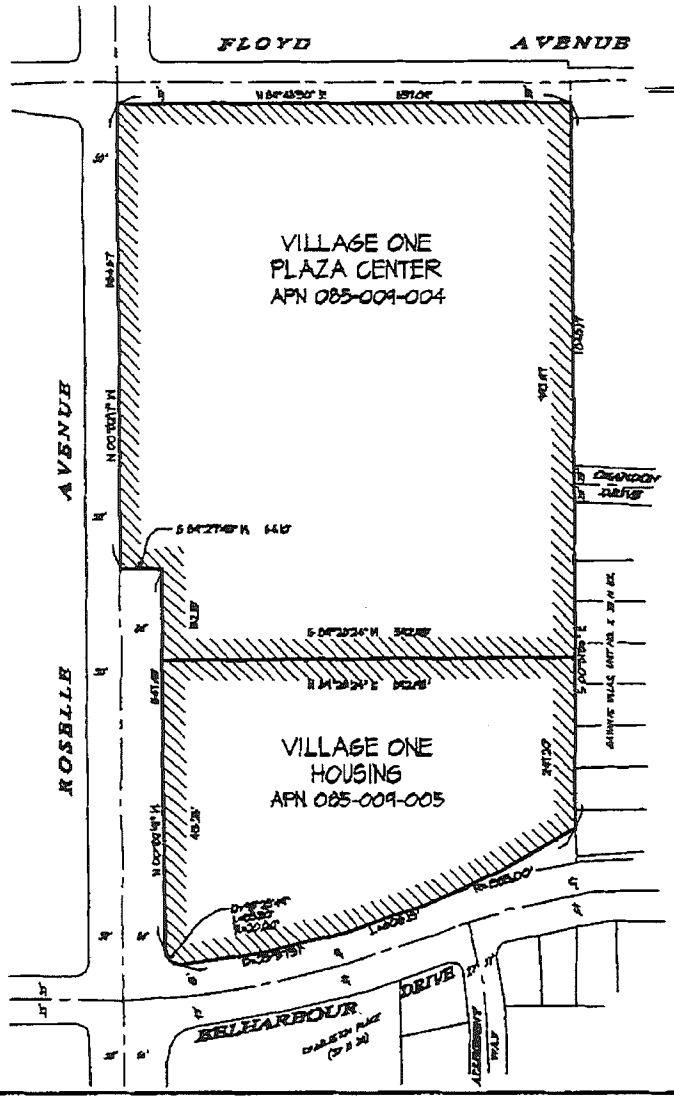
ANNEXATION MAP NO. 9
OF COMMERCIAL FACILITIES DISTRICT
NO. 2004-1 (VILLAGE ONE #3)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

SHEET NUMBER
2
OF 6 SHEETS

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING



LEGEND
BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 100'

SHEET 5 OF 5 SHEETS

Spar Construction, Inc.
A.P. No. 085-018-060

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-018-060 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: _____

_____.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: Allstate Home Loan 10 Research Parkway Wallingford, CT 06492-; the name and address of the Trustee thereunder is: _____ Chicago Title Co.

_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Ray Spanka as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 3999 Service Rd Ceres, Ca 95307.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 9/26, 2005

LANDOWNERS: Spar Construction, Inc., a California Corporation

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____

By: Charlotte Spanka

SFI 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005-424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 9/26, 2005

Allstate Home Loans, Inc.
dba Allstate Funding, a California Corporation ("Lender")

By: Alfred R. Williams
Name: Alfred R. Williams
Title: VP

By: Gregory Smith
Name: Gregory Smith
Title: Senior Vice President

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

SFI 1402515v2 47922/29

EXHIBIT A

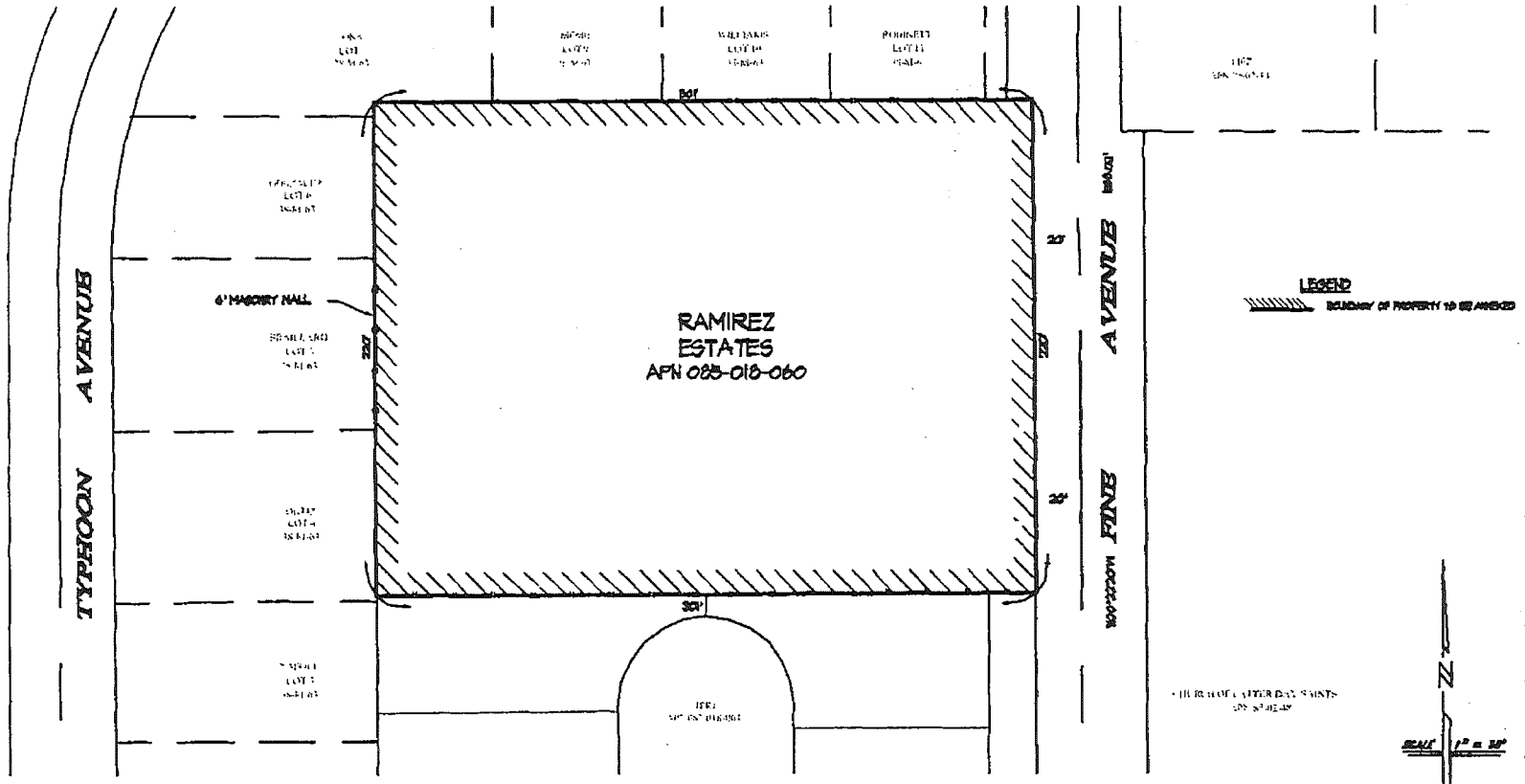
ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING



SHEET 4 OF 5 SHEETS

Centex Homes
A.P. No. 077-088-032
& 033

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Numbers 077-008-032 and 077-008-003 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: A Fee; Centex Homes, a Nevada general partnership.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Stuart S. Thompson as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 650 N. Wilma Avenue, Suite A-2, Ripon, CA 95366.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: September 20, 2005

LANDOWNERS: Centex Homes, A Nevada general partnership

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

By: _____
Dennis G. Gerber
Division Land Dev. Mgr.

By: _____
Will Laughton
V.P. Land Acquisition

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2005

_____, a California
_____ ("Lender")

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

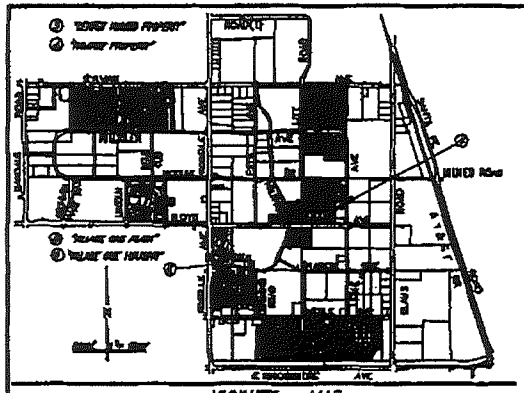
EXHIBIT A

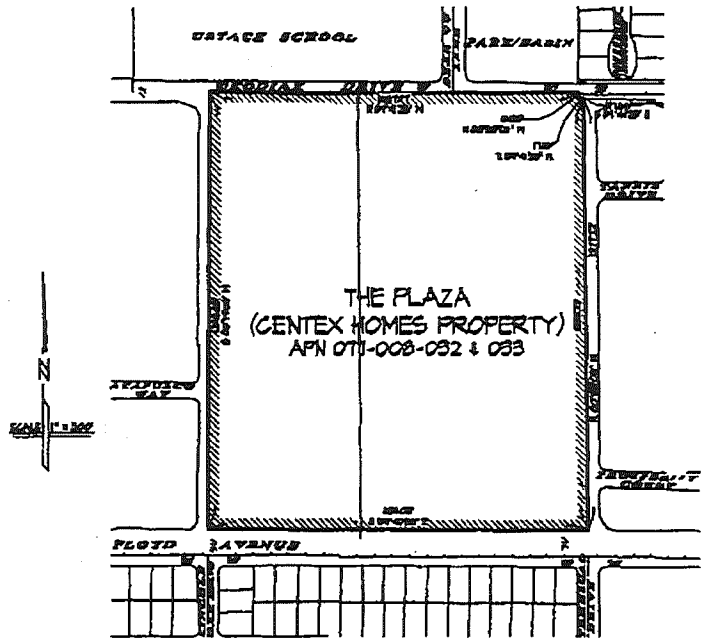
ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY
DELAMARE-FULTZ
ENGINEERING AND SURVEYING





LEGEND
BOUNDARY OF PROPERTY TO BE ANNEXED

SHEET 3 OF 5 SHEETS

Housing Authority of
Stanislaus County
A.P. No. 085-009-005

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

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To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-009-005 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: The Housing Authority of the County of Stanislaus.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ___ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated 12/19/02, and recorded on March 14, 03, in Book 0 at Page 0 of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: the City of Modesto; the name and address of the Trustee thereunder is: First American Title Instrument #2003-0039932 of Official Records.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Mr. A. R. Chubon Housing Authority Stanislaus as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: P.O. Box 585918, Modesto, CA 95358-0033.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 9 2 7, 2005

LANDOWNERS: Housing Authority of the County of Stanislaus, a California Nonprofit Benefit Corporation

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

By: A. R. Chubon

By: _____

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: SEPT. 26, 2005

_____, a California
_____ ("Lender")

By: _____
Name: GEORGE W. BRITTON
Title: CITY MANAGER / DISTRICT ADMINISTRATOR

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

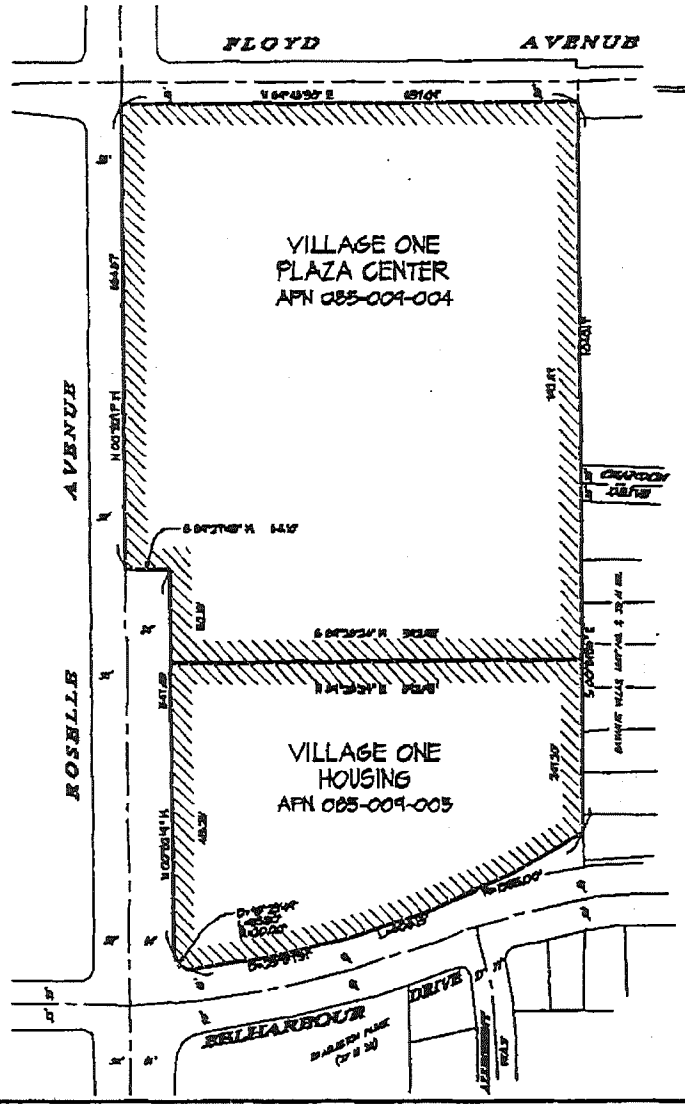
ANNEXATION MAP NO.9 OF COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ

ENGINEERING AND SURVEYING



LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 100'

SHEET 5 OF 5 SHEETS

Village One Plaza, LLC A.P. No085-009-004

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-009-004 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are Ø registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Village One Plaza LLC, a California Limited Liability Company.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Carl E. Best as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 2580 Sierra Blvd. # E Sacramento, CA 95825.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 10-5, 2005

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

LANDOWNER:
Village One Plaza, LLC
By its Manager V.I.P Development Partners

By: _____
Carl Best, Managing Partner
Mng. Partner
Village One LLC

SF1 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Burkshire Estates,
A.P. No. 085-001-046

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-046 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 2 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Burkshire Estates LLC.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Paula Carpenter as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1117 "L" Street Modesto, CA 95354.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 9-21, 2005

LANDOWNERS: Burkshire Estates, LLC, a California limited liability company

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____

By: _____

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 9-21, 2005

_____, a California
_____ ("Lender")

By: [signature]
Name: Peter W. Branagh
Title: Managing Partner

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SFI 1402515v2 47922/29

3. Landowners certify there are __ registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: _____
_____
_____.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____
_____
_____; the name and address of the Trustee thereunder is: _____
_____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate _____ as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: _____
_____.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: _____, 2005

LANDOWNERS: Burkshire Estates, LLC, a California limited liability company

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____

By: _____

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2005

_____, a California
_____ ("Lender")

By: _____
Name: Peter W. Branagh
Title: Managing Partner

By: _____
Name: _____
Title: _____

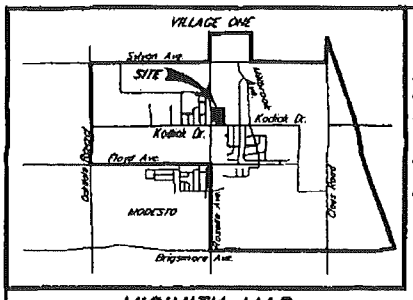
Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SFI 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



VICINITY MAP

NOT TO SCALE

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 9 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2005, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

Filed this ____day of _____, 2005, at the hour of ____ o'clock ____.m. in Book ____ of Maps of Assessement and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the boundary map for which was recorded on March 16, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, in Office of the County Recorder, of the County of Stanislaus, State of California.

A map of Annexation No. 1 to the District was recorded on March 25, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 86, in that office (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)" recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 90, in that office).

A map of Annexation No. 2 to the District was recorded on May 21, 2004 in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that office.

A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96, in that office.

A map of Annexation No. 4 to the District was recorded on September 15, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99, in that office.

A map of Annexation No. 5 to the District was recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that office.

A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that office.

A map of Annexation No. 7 to the District was recorded on May 5, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 12, in that office (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 9, in that office).

A map of Annexation No. 8 to the District was recorded on June 29, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 20, in that office.

JEAN ZAHR, City Clerk

By: _____

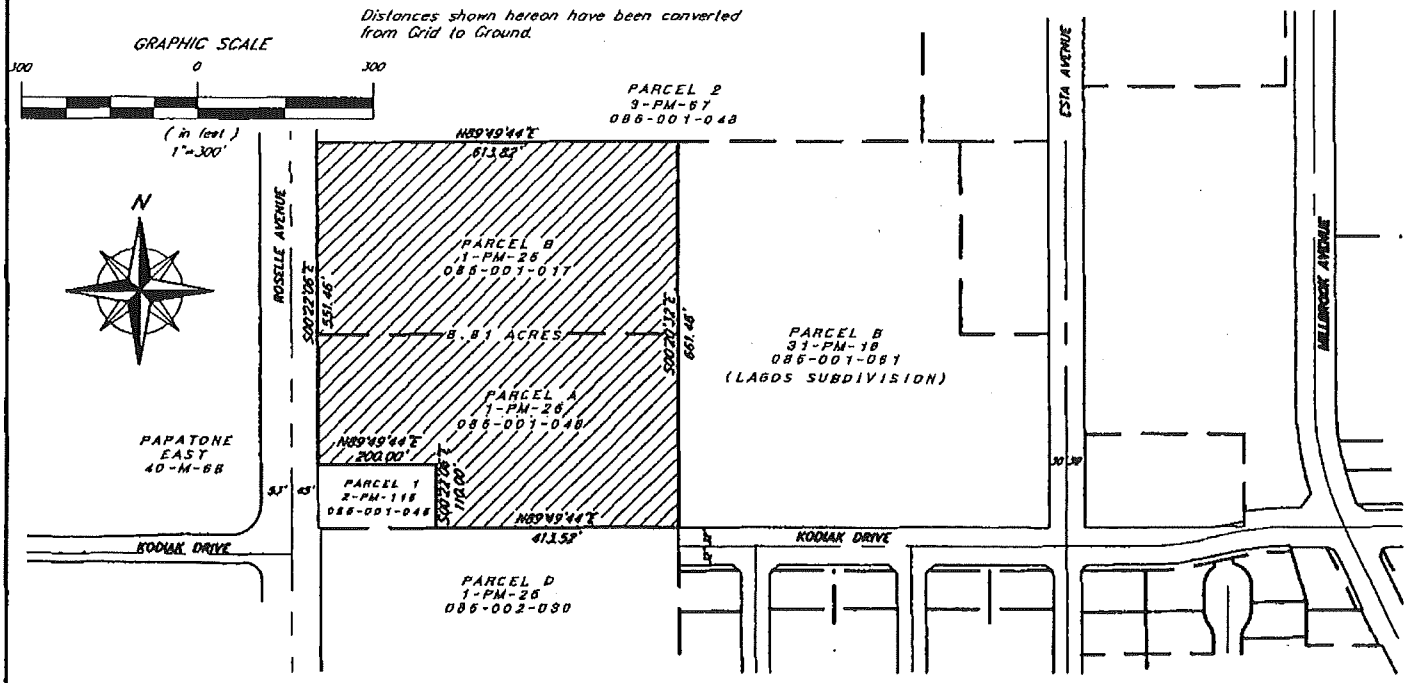
Print Name

= Property to be annexed

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 2527 and 2627 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.



Drawn:	DWJ
Scale:	1"=300'
Job No.:	05119
Phone:	209.526.4214
Dwg. No.:	05119-CFD

EXHIBIT A
ANNEXATION MAP NO. _ OF COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

mid-valley engineering

SHEET 1 OF 1

Plot Sep 21, 2005 at 7:56am djones P:\CAD\05119\MAP\EXHIBITS\05119-CFD.dwg

Aloys A. Fischer &
Joyce A. Fischer
A.P. No. 085-001-017

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-017 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 2 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Aloys A. Fischer, Jr / Joyce A. Fischer.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Paula Carpenter as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1117 "L" Street Modesto, CA 95354.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 9·21, 2005

LANDOWNERS: Aloys A. Fischer, Jr. and Joyce A. Fischer, Trustees, Fischer Family Trust

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

By: Aloys A. Fischer Jr Trustee

By: Joyce A. Fischer Trustee

ACKNOWLEDGEMENT AND CONSENT OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2005

_____, a California
_____ ("Lender")

By: _____
Name: _____
Title: Owner

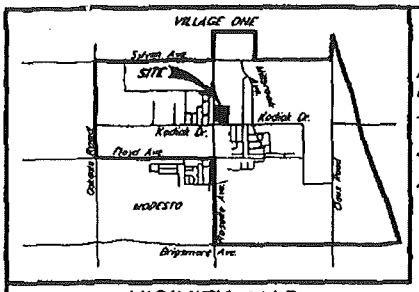
By: _____
Name: Joyce A Fischer Trustee
Title: Owner

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



VICINITY MAP

NOT TO SCALE

I hereby certify that this map showing the proposed boundaries of Annexation No. 9 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2005, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

Filed this ____day of _____, 2005, at the hour of ___ o'clock__.m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2005.

JEAN ZAHR, City Clerk

By: _____

Print Name

This is a map of the area proposed to be annexed to City of Modesto Community Facilitie -trict No. 2004-1 (Village One #2), City of Modesto, County of Stanislau tate of California, the boundary map for which was recorded on March 16, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85, in Office of the County Recorder, of the County of Stanislaus, State of California.

A map of Annexation No. 1 to the District was recorded on March 25, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 86, in that office (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)" recorded on May 14, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 90, in that office).

A map of Annexation No. 2 to the District was recorded on May 21, 2004 in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91, in that office.

A map of Annexation No. 3 to the District was recorded on August 11, 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96, in that office.

A map of Annexation No. 4 to the District was recorded on September 15 2004, in Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99, in that office.

A map of Annexation No. 5 to the District was recorded on October 28, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2, in that office.

A map of Annexation No. 6 to the District was recorded on January 12, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7, in that office.

A map of Annexation No. 7 to the District was recorded on May 5, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 12, in that office (which amended the map of Annexation No. 7 prior recorded in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 9, in that office).

A map of Annexation No. 8 to the District was recorded on June 29, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 20, in that office.

JEAN ZAHR, City Clerk

By: _____

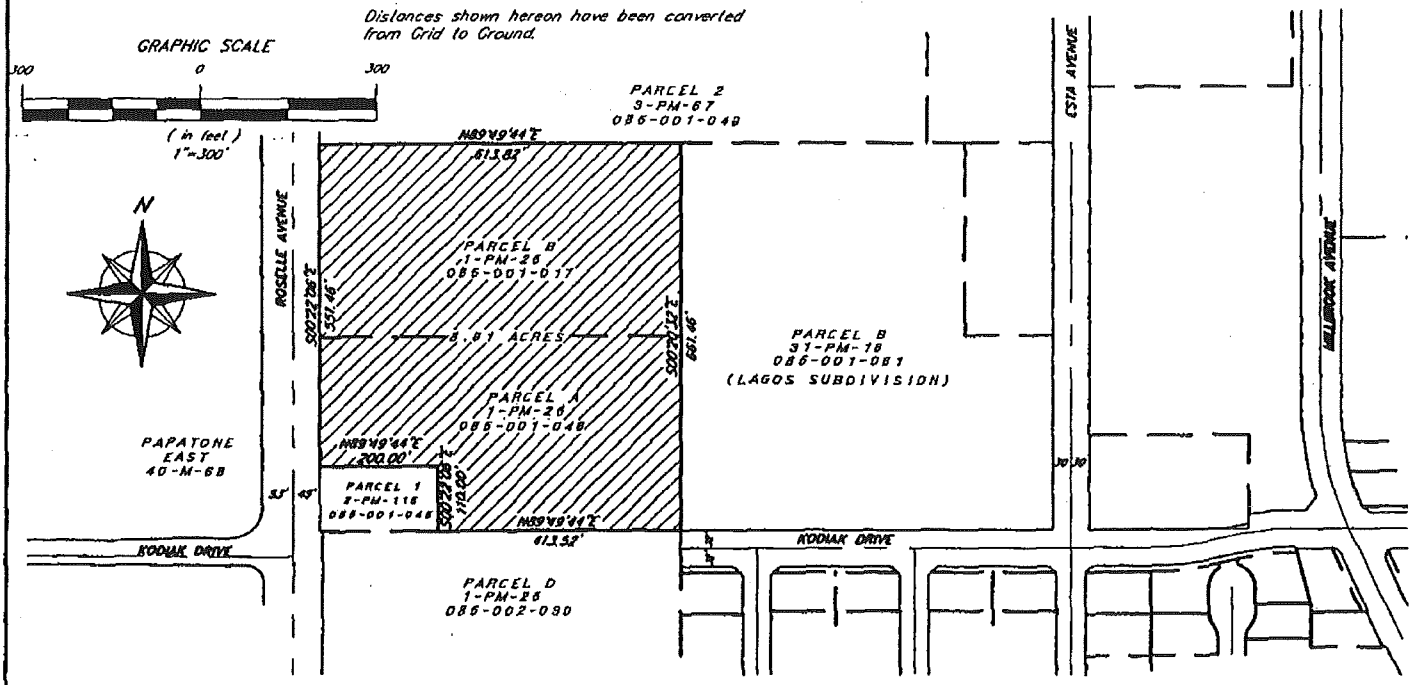
Print Name

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 2527 and 2627 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

▨ = Property to be annexed



Drawn:	DWJ
Scale:	1"=300'
Job No.:	05119
Phone:	209.526.4214
Dwg. No.:	05119-CFD

EXHIBIT A
ANNEXATION MAP NO. _ OF COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

mid-valley engineering

SHEET 1 OF 1

Plot Sep 21, 2005 at 7:36am dlanes P:\CAD\05119\MAP\EXHIBITS\05119-CFD.dwg

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 9·21, 2005

_____, a California
_____ ("Lender")

By: _____
Name: [illegible]
Title: Owner

By: _____
Name: Joyce A Fischer Trustee
Title: Owner

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

Central California Development, LLC and B&G Holdings, II, Ltd, LLC.
A.P. No. 085-001-047

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 9

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-047 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-424 (the "Resolution of Intention to Annex"), adopted on September 6, 2005. The land proposed to be annexed to the District as Annexation No. 9 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are __ registered voters residing on the Property. N/A

4. Landowners further certify that title to the Property is held as follows: Central California Development, LLC and B & G Holdings II, LTD, LLC.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. ✓ There is a deed of trust or other secured interest, dated 9/7/2005, and recorded on * To be recorded, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: Pacific Western Bank, 120 Wilshire Blvd. Santa Monica, CA. 90401; the name and address of the Trustee thereunder is: Pacific Western National Bank, 5900 La Placa Court, Carlsbad, CA. 92008.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Hormoz Faryab as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1801 Avenue of The Stars, #1404, L.A., CA. 90067.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: Sept 27, 2005

LANDOWNERS: Central California Development, LLC

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: [signature]

By: [signature]

SF1 1402515v2 47922/29

B&G Holdings II, Ltd, LLC

By: _____
Managing Director

By: _____

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005- 424 (the "Resolution") to annex certain territory (Annexation No. 9) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: Sept 28, 2005

Pacific Western Bank, a California National Bank ("Lender")

By: Scott Hardt
Name: Scott Hardt
Title: SVP

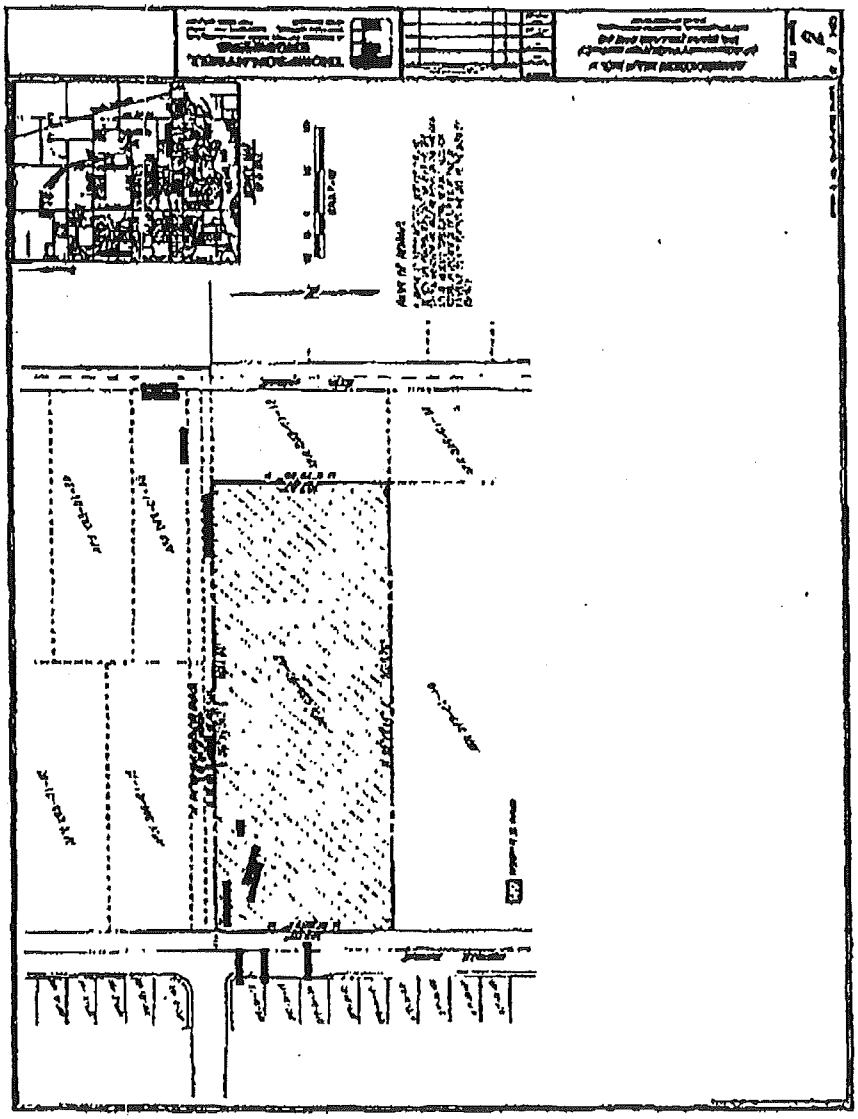
By: _____
Name: _____
Title: _____

Signature Requirements
Corporation: Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
Partnership: Signature of one partner
Sole Proprietorship: Signature of proprietor

SFI 1402515v2 47722/28

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 9)," adopted by the City Council of the City of Modesto on September 6, 2005, I am the designated election official to conduct the special election described in that Resolution.

3. On October 3, 2005, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 9. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: October 3, 2005

Place of Execution: Modesto, California

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 1/4/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Spar Construction, Inc., a California Corporation	Ron Sparks3999 Service Road Ceres, CA 95201	1	2.2%
Centex, a Nevada General Partnership	Stuart S. Thompson 650 N. Wilma Avenue, Suite A-2 Ripon, CA 95366?	2	47.8
Housing Authority of the County of Stanislaus, a California Nonprofit Benefit Corporation	A. R. Chubon P.O Box 585918 Modesto, CA 95366	3	7.4%
Village One Plaza, LLC, a California limited liability company	Carl E. Best 2580 Sierra Blvd, Suite E Sacramento, CA 95825	4	17.7
Burkshire Estates, LLC, a California limited liability company	Paula Carpenter Mid-Valley Engineering 1117 "L" Street Modesto, CA 95354	5	6.0%
Aloys A. Fischer, Jr. and Joyce A. Fischer, Trustees, Fischer Family Trust	Paula Carpenter Mid-Valley Engineering 1117 "L" Street Modesto, CA 95354	6	6.7%
B&G Holdings, II, Ltd., LLC, a California limited liability company and Central California Development, LLC, a limited liability company	Hormoz Faryab 1801 Avenue of the Stars Suite 1404 Los Angeles, CA 90067	7	12.2%

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 9

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

October 11, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on October 11, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

2.2% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through *Friday, between the hours of 9:00 a.m. and noon*

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the *One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of* apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 1

2.2% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

OFFICIAL BALLOT

BALLOT NO. 2

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

47.8% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 33
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 2

47.8% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 33 VOTES

OFFICIAL BALLOT

BALLOT NO. 3

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

7.4% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 3

7.4% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

OFFICIAL BALLOT

BALLOT NO. 4

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

17.7% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 13
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 4

17.7% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 13 VOTES

OFFICIAL BALLOT

BALLOT NO. 5

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

6.0% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 5

6.0% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

OFFICIAL BALLOT

BALLOT NO. 6

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

6.7% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 6

6.7% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

OFFICIAL BALLOT

BALLOT NO. 7

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

12.2% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 9
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 7

12.2% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 9 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Ron Sparks**, certify as follows:

(1) I am the Authorized Representative of Spar Construction, Inc., a California Corporation, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-018-060 (the "Parcel"), which comprises approximately 1.52 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 2)

I, **Stuart A. Thompson,** certify as follows:

(1) I am the Authorized Representative of Centex, a Nevada general partnership, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-008-032 and Assessor's Parcel Number 077-008-033 (the "Parcel"), which comprises approximately 32.98 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 3)

I, **A. R. Chubon**, certify as follows:

(1) I am the Authorized Representative of the Housing Authority of the County of Stanislaus, a California Nonprofit Benefit Corporation, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-009-005 (the "Parcel"), which comprises approximately 5.10 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 4)

I, **Carl E. Best**, certify as follows:

(1) I am the Authorized Representative of Village One Plaza, LLC, a limited liability company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-009-004 (the "Parcel"), which comprises approximately 12.23 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 5)

I, **Paula Carpenter**, certify as follows:

(1) I am the Authorized Representative of Burkshire Estates, LLC, a California limited liability company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-046 (the "Parcel"), which comprises approximately 4.15 acres of land within the Annexed Territory; and

(5) there are two registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 6)

I, **Paula Carpenter**, certify as follows:

(1) I am the Authorized Representative of Aloys A. Fischer, Jr. and Joyce A. Fischer, Trustees, Fischer Family Trust, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-017 (the "Parcel"), which comprises approximately 4.65 acres of land within the Annexed Territory; and

(5) there are two registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

AUTHORIZATION
(BALLOT NO. 7)

I, **Hormoz Faryab**, certify as follows:

(1) I am the Authorized Representative of B & G Holdings, II, LTD, LLC, a limited liability company and Central California Development, LLC, a limited liability company, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-047 (the "Parcel"), which comprises approximately 8.40 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-522

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 9)

WHEREAS, this Council did, on September 6, 2005, adopt its Resolution No. 2005-424 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2, and

(T)

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 9 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on September 8, 2005, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 27; and

WHEREAS, at the time and date set for the hearing (October 11, 2005) pursuant to the Resolution of Intention to Annex, this Council held the public hearing on Tuesday, October 11, 2005, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the

Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 11th day of October 2005. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681) and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th of October 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 11, 2005, at 5:30 p.m.

Roll Call – Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Reverend Joel Richards, La Loma Grace Brethren Church

City Clerk's Announcements: Item 21 removed from Consent

Item 22 continued to October 25, 2005

Declaration of Conflicts of Interest: Marsh – Item 25

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of City's new Finance Director, Wayne Padilla.

ACTION: Introduction made by Judith Ray.

2. Presentation by Beverly McCullough, Recycling Program Coordinator, regarding Second Chance Week, October 17-22, 2005.
Parks Recreation & Neighborhoods, B. McCullough, 577-5497, bdmccullough@modestogov.com

ACTION: Presentation made by Beverly McCullough.

MISCELLANEOUS
Legislation
Appointments
Other

3. Consider appointing six Modesto area high school students to the City of Modesto Youth Commission. The one senior Commissioner will be appointed for a term of one year, each of the five juniors will be appointed for a term of two years.
· Resolution appointing the following six Modesto area high school students to the City of Modesto Youth Commission:
o Johansen High School – Yashar Nazi for a term of one year.
o Beyer High School – Neil Watson for a term of two years.
o Central Catholic High School – Trenton Maylor for two years.
o Johansen High School – Britney Meeks for two years.
o Modesto High School – Katy Uyeno for two years.
o Modesto Christian High School – Michelle Mitchell for two years.
Parks, Recreation & Neighborhoods, Jennifer Brinar, 571-589, Jbrinar@modestogov.com

ACTION: Resolution 2005-498 (Jackman/Keating; unan.) appointed the following six Modesto area high school students to the City of Modesto Youth Commission:
o Johansen High School – Yashar Nazi for a term of one year.
o Beyer High School – Neil Watson for a term of two years.
o Central Catholic High School – Trenton Maylor for two years.
o Johansen High School – Britney Meeks for two years.
o Modesto High School – Katy Uyeno for two years.
o Modesto Christian High School – Michelle Mitchell for two years.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Dave Geer spoke regarding a County-wide Veterans Center approved at the Board of Supervisors meeting.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 4-16 and 18-20

ACTION Consent Items 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20

ACTION Consent: Item 17 – Keating/Jackman; unan.

ACTION Consent: Item 21 – Dunbar/Jackman; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of October 4, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approving the Minutes of October 4, 2005.

CONSENT
5. Consider approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan , Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map,

and subsequent approval consistent with the proposed project (EA/C&ED No. 2004-58).
· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan, Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map, and Subsequent Approval Consistent with the Proposed Project (EA/C&ED No. 2004-58) recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-499 (Jackman/Dunbar; unan.) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan, Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map, and Subsequent Approval Consistent with the Proposed Project (EA/C&ED No. 2004-58).

CONSENT
6. Consider approving a two (2) year agreement for federal lobbying services in the amount of $120,000 with Patton Boggs, LLP and federal legislative lobbying services from October 2, 2005 to October 1, 2007, and authorize the City Manager to execute the agreement; and amending the FY 2005-06 annual operating budget.
· Resolution approving a two (2) year agreement for federal legislative lobbying services in the annual amount of $120,000 with Patton Boggs, LLP and authorizing the City Manager to execute the agreement recommended.
· Resolution amending the FY 2005-06 annual operating budget to transfer $44,705 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Patton Boggs, LLP to perform legislative lobbying services recommended.
City Manager's Office; Bryan Whitemyer 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2005-500 (Jackman/Dunbar; unan.) approving a two (2) year agreement for federal legislative lobbying services in the annual amount of $120,000 with Patton Boggs, LLP and authorizing the City Manager to execute the agreement.

ACTION: Resolution 2005-501 (Jackman/Dunbar; unan.) amending the FY 2005-06 annual operating budget to transfer $44,705 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Patton Boggs, LLP to perform legislative lobbying services.

CONSENT
7. Consider approval of Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement.
· Resolution approving Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan, in an amount not-to-exceed $406,062 and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement recommended.
Community & Economic Development; Paul Liu, 571-5808, pliu@modestogov.com

ACTION: Resolution 2005-502 (Jackman/Dunbar; unan.) approving Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan, in an amount not-to-exceed $406,062 and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement.

CONSENT
8. Consider approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the proposed Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00.
· Resolution approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00; and authorizing the City Manager to execute the agreement recommended.
Community & Economic Development Department; Miguel Galvez, 571-5539, mgalvez@modestogov.com

ACTION: Resolution 2005-503 (Jackman/Dunbar; unan.) approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00; and authorizing the City Manager to execute the agreement.

CONSENT
9. Consider monthly budget adjustments for September 2005.
· Resolution approving the monthly budget adjustments for September 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-504 (Jackman/Dunbar; unan.) approving the monthly budget adjustments for September 2005.

CONSENT
10. Consider approving a revision to the City's Budgetary Control and Authority Policy.
· Resolution approving a revision to the City's Budgetary Control and Authority Policy recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-505 (Jackman/Dunbar; unan.) approving a revision to the City's Budgetary Control and Authority Policy.

CONSENT
11. Consider accepting the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process. |
· Motion accepting receipt of report for the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) accepted the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process.

CONSENT
12. Consider authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority.
· Resolution authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-506 (Jackman/Dunbar; unan.) authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority

CONSENT
13. Consider authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments. This revenue would be used to augment the educational partnership program administered by the Personnel Department.
· Resolution authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-507 (Jackman/Dunbar; unan.) authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments.

CONSENT
14. Consider adopting the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130, authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees.
· Adoption of the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130) authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees recommended.
Fire; David Grant, 572-9596, grantd@modestopd.com

ACTION: By Motion (Jackman/Dunbar; unan.) adopting the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130) authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees.

CONSENT
15. Consider amending the FY 05-06 operating budget to fund the replacement of the Municipal Golf Course Clubhouse Roof.
· Resolution approving adoption of a resolution amending the FY 05-06 operating budget to appropriate $12,000 from 0100-800-8000-8003, General Fund Reserve, to 6600-330-3316-0223, Golf Fund Repair and Maintenance to fund the replacement of the Municipal Golf Course Clubhouse Roof recommended.
Parks, Recreation & Neighborhoods, Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2005-508 (Jackman/Dunbar; unan.) approving adoption of a resolution amending the FY 05-06 operating budget to appropriate $12,000 from 0100-800-8000-8003, General Fund Reserve, to 6600-330-3316-0223, Golf Fund Repair and Maintenance to fund the replacement of the Municipal Golf Course Clubhouse Roof.

CONSENT
16. Consider introducing an ordinance amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of the Modesto Municipal Code relating to Solid Waste.
· Motion introducing an ordinance amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of

the Modesto Municipal Code relating to Solid Waste recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introduced Ordinance No. 3396-C.S.** amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of the Modesto Municipal Code relating to Solid Waste.

Removed from Consent
17. Consider finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis.
· Resolution finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-509 (Keating/Jackman; unan.) finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis.

CONSENT
18. Consider accepting a COPS 2005 Technology Grant Award in the amount of $295,993 from the Office of Community Oriented Policing Services.
· Resolution accepting a grant in the amount of $295,993 entitled "COPS 2005 Technology" from the Office of Community Oriented Policing Services for technology to enhance law enforcement and authorizing the City Manager, or his designee, to execute the necessary documents recommended.
· Resolution amending the fiscal year 2005/06 operating budget estimating revenue and appropriating funds recommended.
Police; Barbara Jackson, 572-9824, jacksonb@modetopd.com

ACTION: Resolution 2005-510 (Jackman/Dunbar; unan.) accepting a grant in the amount of $295,993 entitled "COPS 2005 Technology" from the Office of Community Oriented Policing Services for technology to enhance law enforcement and authorizing the City Manager, or his designee, to execute the necessary documents.

ACTION: Resolution 2005-511 (Jackman/Dunbar; unan.) amending the fiscal year 2005/06 operating budget estimating revenue and appropriating funds.

CONSENT
19. Consider accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice.
· Resolution accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice and authorizing the City Manager, or his authorized designee, to execute the necessary grant documents recommended.
· Resolution amending the fiscal year 2005/06 operating budget to estimate revenue and appropriating funds recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2005-512 (Jackman/Dunbar; unan.) accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice and authorizing the City Manager, or his authorized designee, to execute the necessary grant documents.

ACTION: Resolution 2005-513 (Jackman/Dunbar; unan.) amending the fiscal year 2005/06 operating budget to estimate revenue and appropriating funds.

CONSENT

20. Consider increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design.

· Resolution increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design recommended.

Public Works, Kris Ohlson, 577-5452, kohlson@modestogov.com

ACTION: Resolution 2005-514 (Jackman/Dunbar; unan.) increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design.

Removed from Consent

21. Consider (i) making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013); and (ii) approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities.

· Resolution making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013) recommended.

· Resolution approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights

of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities recommended.
Public Works, Rich Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-515 (Dunbar/Jackman; unan.) making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013).

ACTION: Resolution 2005-516 (Dunbar/Jackman; unan.) approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities.

COUNCIL COMMENTS & REPORTS

None.

HEARINGS

This item has been requested to be continued to 10/25/05 Agenda
Councilmember Marsh absent due to conflict of interest
22. Continued hearing to consider the appeal by NA Engineering and Development Company to a decision by the Planning Commission denying the application of NA Engineering and Development Company for a Tentative Parcel Map to divide an 8.45-Acre Property into two parcels, property located on the southeast corner of Roselle and Hillglen Avenues.
· Provide direction to staff on the acquisition of right-of-way for and construction of Hillglen Avenue and the roundabout at the intersection of Hillglen and Roselle Avenues.
· Resolution denying the appeal, directing the applicant to redesign the project to construct an aligned part-width Hillglen Avenue and sending the redesigned project back to Planning Commission for review.
Community & Economic Development; Josh Bridegroom, 571-5808, jbridegroom@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan. Marsh absent) continued the hearing to October 25, 2005.

This item has been continued from 9/6/05
23. Hearing to consider approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,750 for a right of way located at the southwest corner of Coffee Road and Claratina Avenue.
· Resolution approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,750 for right of way located at the southwest corner of Coffee Road and Claratina Avenue recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-517 (Hawn/Marsh; unan.) approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,760 (corrected amount) for right of way located at the southwest corner of Coffee Road and Claratina Avenue.

Published in the Modesto Bee on September 14, 2005
24. Hearing to consider (i) establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit; (ii) determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); (iii) calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); (iv) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); and (iv) introducing an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).
· Resolution establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit recommended.
· Resolution determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Resolution calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Resolution declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Introduce an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
City Manager's Office Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-518 (Dunbar/Marsh; unan.) establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit

ACTION: Resolution 2005-519 (Dunbar/Marsh; unan.) determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: Resolution 2005-520 (Dunbar/Marsh; unan.) calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: Resolution 2005-521 (Dunbar/Marsh; unan.) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: By Motion (Dunbar/Hawn; unan.) **introduced Ordinance No. 3397-C.S.** authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

Published in the Modesto Bee on September 18, 2005
Marsh absent due to a conflict of interest
25. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9); and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9) recommended.

· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-522 (Jackman/O'Bryant; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9).

ACTION: Resolution 2005-523 (Jackman/O'Bryant; unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Councilmember Marsh left the meeting at 5:50 pm.
Published in the Modesto Bee on October 1, 2005
26. Hearing to consider the amended Capital Improvement Program for FY 2006.
· Resolution amending the Capital Improvement Program budget for FY 2005-2006 to re-appropriate existing projects, appropriate new projects and recognize additional revenues recommended.
Finance; Debra Eggerman, 577-5394, deggerman@modestogov.com

ACTION: By motion (Jackman/Dunbar; unan. Marsh absent) continued to October 25, 2005.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

The meeting adjourned at 7:30 p.m.

AUTHORIZATION
(BALLOT NO. 2)

05 OCT 11 PM 12:58

I, **Stuart S. Thompson,** certify as follows:

(1) I am the Authorized Representative of Centex, a Nevada general partnership, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 077-008-032 and Assessor's Parcel Number 077-008-033 (the "Parcel"), which comprises approximately 32.98 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on October 11th, 2005 at Ripon, California.

Signature of Authorized Representative (Voter)

650 N. Wilma Avenue, Suite A-2
Ripon, CA 95366

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 2

MODESTO CITY CLERK

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

05 OCT 11 PM 12:58

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

47.8% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 33
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 2

47.8% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 33 VOTES

AUTHORIZATION
(BALLOT NO. 3)

I, **A. R. Chubon**, certify as follows:

(1) I am the Authorized Representative of the Housing Authority of the County of Stanislaus, a California Nonprofit Benefit Corporation, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-009-005 (the "Parcel"), which comprises approximately 5.10 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on Oct 6 2005 at Modesto Calif.

A.R. Chubon
Signature of Authorized Representative (Voter)

1014 Sandringham Lane
Modesto Calif 95354
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 3

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

7.4% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 6
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 3

7.4% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 6 VOTES

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 9

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

October 11, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on October 11, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

AUTHORIZATION
(BALLOT NO. 4)

I, **Carl E. Best**, certify as follows:

(1) I am the Authorized Representative of Village One Plaza, LLC, a limited liability company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-009-004 (the "Parcel"), which comprises approximately 12.23 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 10-05, 2005 at Sacramento California, 95825.

Signature of Authorized Representative (Voter)

2580 Sierra Blvd. #E
Sacramento, CA 95825

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 4

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

17.7% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 13
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 4

17.7% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 13 VOTES

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 9

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

October 11, 2005

OFFICIAL BALLOT

BALLOT NO. 5

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

6.0% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 5

6.0% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

AUTHORIZATION
(BALLOT NO. 5)

I, **Paula Carpenter**, certify as follows:

(1) I am the Authorized Representative of Burkshire Estates, LLC, a California limited liability company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-046 (the "Parcel"), which comprises approximately 4.15 acres of land within the Annexed Territory; and

(5) there are two registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on October 4, 2005 at 1117 L Street Modesto, California.

Signature of Authorized Representative (Voter)

1117 L St.
Modesto, CA 95354

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 6

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

6.7% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 5
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 6

6.7% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 5 VOTES

AUTHORIZATION
(BALLOT NO. 6)

I, **Paula Carpenter**, certify as follows:

(1) I am the Authorized Representative of Aloys A. Fischer, Jr. and Joyce A. Fischer, Trustees, Fischer Family Trust, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-017 (the "Parcel"), which comprises approximately 4.65 acres of land within the Annexed Territory; and

(5) there are two registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on October 4, 2005 at 1117 L Street Modesto, California.

Signature of Authorized Representative (Voter)

1117 L St.
Modesto CA 95354

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 7

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 9

SPECIAL TAX ELECTION

October 11, 2005

12.2% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 9
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 7

12.2% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 9 VOTES

AUTHORIZATION
(BALLOT NO. 7)

MODESTO CITY CLERK
05 OCT 10 AM 9:13

I, **Hormoz Faryab**, certify as follows:

(1) I am the Authorized Representative of B & G Holdings, II, LTD, LLC, a limited liability company and Central California Development, LLC, a limited liability company, the owners (collectively, the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 9 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-047 (the "Parcel"), which comprises approximately 8.40 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on Oct 5, 2005 at 1801 AVE of The Stars #1404 Los ANGELES, CA, 90067.

Hormoz Faryab
Signature of Authorized Representative (Voter)

1801 AVE of The Stars #1404
LA - CA 90067
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-523

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE OCTOBER 11, 2005, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 9)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted on September 6, 2005, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2,

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced

T

in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2005-522, adopted on October 11, 2005, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for October 11, 2005, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on October 11, 2005, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2005-424 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of October 2005, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-522, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 9) adopted on September 6, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on October 11, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-424, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 9)" adopted by the City Council of the City of Modesto on September 6, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 71 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: 10/14, 2005

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 11, 2005, at 5:30 p.m.

Roll Call – Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Reverend Joel Richards, La Loma Grace Brethren Church

City Clerk's Announcements: Item 21 removed from Consent

Item 22 continued to October 25, 2005

Declaration of Conflicts of Interest: Marsh – Item 25

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of City's new Finance Director, Wayne Padilla.

ACTION: Introduction made by Judith Ray.

2. Presentation by Beverly McCullough, Recycling Program Coordinator, regarding Second Chance Week, October 17-22, 2005.
Parks Recreation & Neighborhoods, B. McCullough, 577-5497, bdmccullough@modestogov.com

ACTION: Presentation made by Beverly McCullough.

MISCELLANEOUS
Legislation
Appointments
Other

3. Consider appointing six Modesto area high school students to the City of Modesto Youth Commission. The one senior Commissioner will be appointed for a term of one year, each of the five juniors will be appointed for a term of two years.
· Resolution appointing the following six Modesto area high school students to the City of Modesto Youth Commission:
o Johansen High School – Yashar Nazi for a term of one year.
o Beyer High School – Neil Watson for a term of two years.
o Central Catholic High School – Trenton Maylor for two years.
o Johansen High School – Britney Meeks for two years.
o Modesto High School – Katy Uyeno for two years.
o Modesto Christian High School – Michelle Mitchell for two years.
Parks, Recreation & Neighborhoods, Jennifer Brinar, 571-589, Jbrinar@modestogov.com

ACTION: Resolution 2005-498 (Jackman/Keating; unan.) appointed the following six Modesto area high school students to the City of Modesto Youth Commission:
o Johansen High School – Yashar Nazi for a term of one year.
o Beyer High School – Neil Watson for a term of two years.
o Central Catholic High School – Trenton Maylor for two years.
o Johansen High School – Britney Meeks for two years.
o Modesto High School – Katy Uyeno for two years.
o Modesto Christian High School – Michelle Mitchell for two years.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Dave Geer spoke regarding a County-wide Veterans Center approved at the Board of Supervisors meeting.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 4-16 and 18-20

ACTION Consent Items 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20

ACTION Consent: Item 17 – Keating/Jackman; unan.

ACTION Consent: Item 21 – Dunbar/Jackman; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of October 4, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approving the Minutes of October 4, 2005.

CONSENT
5. Consider approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan , Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map,

and subsequent approval consistent with the proposed project (EA/C&ED No. 2004-58).
· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan, Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map, and Subsequent Approval Consistent with the Proposed Project (EA/C&ED No. 2004-58) recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-499 (Jackman/Dunbar; unan.) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and William Lyon Homes, Inc. with a maximum reimbursement amount of $2,413,507 and finding that the potential environmental effects of this agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as modified by the 1994 Final Supplemental EIR (SCH No. 90020181), with an Addendum for the Amendment of the Village One Specific Plan, Amendment of Precise Plan Area 24, Approval of Precise Plan Area 23, Falling Leaf Vesting Tentative Subdivision Map, and Subsequent Approval Consistent with the Proposed Project (EA/C&ED No. 2004-58).

CONSENT
6. Consider approving a two (2) year agreement for federal lobbying services in the amount of $120,000 with Patton Boggs, LLP and federal legislative lobbying services from October 2, 2005 to October 1, 2007, and authorize the City Manager to execute the agreement; and amending the FY 2005-06 annual operating budget.
· Resolution approving a two (2) year agreement for federal legislative lobbying services in the annual amount of $120,000 with Patton Boggs, LLP and authorizing the City Manager to execute the agreement recommended.
· Resolution amending the FY 2005-06 annual operating budget to transfer $44,705 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Patton Boggs, LLP to perform legislative lobbying services recommended.
City Manager's Office; Bryan Whitemyer 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2005-500 (Jackman/Dunbar; unan.) approving a two (2) year agreement for federal legislative lobbying services in the annual amount of $120,000 with Patton Boggs, LLP and authorizing the City Manager to execute the agreement.

ACTION: Resolution 2005-501 (Jackman/Dunbar; unan.) amending the FY 2005-06 annual operating budget to transfer $44,705 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Patton Boggs, LLP to perform legislative lobbying services.

CONSENT
7. Consider approval of Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement.
· Resolution approving Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan, in an amount not-to-exceed $406,062 and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement recommended.
Community & Economic Development; Paul Liu, 571-5808, pliu@modestogov.com

ACTION: Resolution 2005-502 (Jackman/Dunbar; unan.) approving Amendment No. 2 to an Agreement with Turnstone for preparation of a Draft Environmental Impact Report for the Tivoli Specific Plan, in an amount not-to-exceed $406,062 and related applications, in an amount not-to-exceed $406,062 and authorizing the City Manager to execute the Agreement.

CONSENT
8. Consider approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the proposed Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00.
· Resolution approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00; and authorizing the City Manager to execute the agreement recommended.
Community & Economic Development Department; Miguel Galvez, 571-5539, mgalvez@modestogov.com

ACTION: Resolution 2005-503 (Jackman/Dunbar; unan.) approving an agreement with Impact Sciences Inc. for preparation of an Initial Study for the Pelandale/McHenry Specific Plan, pursuant to the California Environmental Quality Act, not to exceed $116,380.00; and authorizing the City Manager to execute the agreement.

CONSENT
9. Consider monthly budget adjustments for September 2005.
· Resolution approving the monthly budget adjustments for September 2005 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-504 (Jackman/Dunbar; unan.) approving the monthly budget adjustments for September 2005.

CONSENT
10. Consider approving a revision to the City's Budgetary Control and Authority Policy.
· Resolution approving a revision to the City's Budgetary Control and Authority Policy recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2005-505 (Jackman/Dunbar; unan.) approving a revision to the City's Budgetary Control and Authority Policy.

CONSENT
11. Consider accepting the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process. |
· Motion accepting receipt of report for the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) accepted the General Fund Year End Status Report for FY2004-05 and 2005-06 Supplemental Budget Process.

CONSENT
12. Consider authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority.
· Resolution authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-506 (Jackman/Dunbar; unan.) authorizing the City Manager to execute the Stanislaus County Fire Authority Joint Powers Agreement, which grants the City of Modesto membership in the Stanislaus County Fire Authority

CONSENT
13. Consider authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments. This revenue would be used to augment the educational partnership program administered by the Personnel Department.
· Resolution authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-507 (Jackman/Dunbar; unan.) authorizing the City Manager to execute a contract between the City of Modesto and the Yosemite Community College District, allowing the Community College District to reimburse the City of Modesto for in-service training hours in the Fire and Police Departments.

CONSENT
14. Consider adopting the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130, authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees.
· Adoption of the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130) authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees recommended.
Fire; David Grant, 572-9596, grantd@modestopd.com

ACTION: By Motion (Jackman/Dunbar; unan.) adopting the "Designation of Applicant's Agent Resolution" (the State of California Office of Emergency Services form 130) authorizing the City Manager, or Fire Chief, or Deputy City Manager to execute on behalf of the City all forms necessary for obtaining federal financial assistance or state financial assistance for Hurricane Katrina evacuees.

CONSENT
15. Consider amending the FY 05-06 operating budget to fund the replacement of the Municipal Golf Course Clubhouse Roof.
· Resolution approving adoption of a resolution amending the FY 05-06 operating budget to appropriate $12,000 from 0100-800-8000-8003, General Fund Reserve, to 6600-330-3316-0223, Golf Fund Repair and Maintenance to fund the replacement of the Municipal Golf Course Clubhouse Roof recommended.
Parks, Recreation & Neighborhoods, Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2005-508 (Jackman/Dunbar; unan.) approving adoption of a resolution amending the FY 05-06 operating budget to appropriate $12,000 from 0100-800-8000-8003, General Fund Reserve, to 6600-330-3316-0223, Golf Fund Repair and Maintenance to fund the replacement of the Municipal Golf Course Clubhouse Roof.

CONSENT
16. Consider introducing an ordinance amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of the Modesto Municipal Code relating to Solid Waste.
· Motion introducing an ordinance amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of

the Modesto Municipal Code relating to Solid Waste recommended.
Parks, Recreation & Neighborhoods; Carolyn Eubank, 577-5349, ceubank@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) **introduced Ordinance No. 3396-C.S.** amending Sections 5-5.03, 5-5.05, 5-5.09, 5-5.10, 5-5.11, 5-5.15, 5-5.16, 5-5.18, 5-5.33, 5-5.38 and 5-5.41 of Chapter 5 of Title 5 of the Modesto Municipal Code relating to Solid Waste.

Removed from Consent
17. Consider finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis.
· Resolution finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-509 (Keating/Jackman; unan.) finding that a shelter crisis exists within the City of Modesto, declaring a Shelter Emergency from November 1, 2005 through April 30, 2006, as authorized by the California Government Code, authorizing the City Manager or his designee to take actions necessary to mitigate the effects of the shelter crisis.

CONSENT
18. Consider accepting a COPS 2005 Technology Grant Award in the amount of $295,993 from the Office of Community Oriented Policing Services.
· Resolution accepting a grant in the amount of $295,993 entitled "COPS 2005 Technology" from the Office of Community Oriented Policing Services for technology to enhance law enforcement and authorizing the City Manager, or his designee, to execute the necessary documents recommended.
· Resolution amending the fiscal year 2005/06 operating budget estimating revenue and appropriating funds recommended.
Police; Barbara Jackson, 572-9824, jacksonb@modetopd.com

ACTION: Resolution 2005-510 (Jackman/Dunbar; unan.) accepting a grant in the amount of $295,993 entitled "COPS 2005 Technology" from the Office of Community Oriented Policing Services for technology to enhance law enforcement and authorizing the City Manager, or his designee, to execute the necessary documents.

ACTION: Resolution 2005-511 (Jackman/Dunbar; unan.) amending the fiscal year 2005/06 operating budget estimating revenue and appropriating funds.

CONSENT
19. Consider accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice.
· Resolution accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice and authorizing the City Manager, or his authorized designee, to execute the necessary grant documents recommended.
· Resolution amending the fiscal year 2005/06 operating budget to estimate revenue and appropriating funds recommended.
Police; Roy Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2005-512 (Jackman/Dunbar; unan.) accepting the 2005 Edward Byrne Justice Assistance Grant Program in the amount of $116,260 from the U.S. Department of Justice and authorizing the City Manager, or his authorized designee, to execute the necessary grant documents.

ACTION: Resolution 2005-513 (Jackman/Dunbar; unan.) amending the fiscal year 2005/06 operating budget to estimate revenue and appropriating funds.

CONSENT

20. Consider increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design.

· Resolution increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design recommended.

Public Works, Kris Ohlson, 577-5452, kohlson@modestogov.com

ACTION: Resolution 2005-514 (Jackman/Dunbar; unan.) increasing the Public Works Director's authority to issue change orders to increase the project scope, by adding additional paving and storm drain work, on the "Floyd Avenue Improvements – Oakdale Road to Grouse Crossing Way" project from 8 percent ($188,365.87) to 16.5 percent ($388,504.60) of the original contract price with George Reed, Inc. Total estimated cost of this project is $4,743,961.00, which includes right-of-way, construction contingency, construction administration and engineering design.

Removed from Consent

21. Consider (i) making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013); and (ii) approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities.

· Resolution making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013) recommended.

· Resolution approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights

of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities recommended.
Public Works, Rich Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-515 (Dunbar/Jackman; unan.) making certain findings concerning mitigation measures, adopting a mitigation monitoring and reporting program, making findings concerning alternatives, and adopting a statement of overriding considerations in connection with approval of the Project contemplated by the Final Subsequent Environmental Impact Report for the Modesto Regional Water Treatment Plant Phase Two Expansion Project and Related Downstream Improvements (Sch No. 2004022013).

ACTION: Resolution 2005-516 (Dunbar/Jackman; unan.) approving the amended and restated Treatment and Delivery Agreement with the Modesto Irrigation District related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant, and authorizing the City Manager to execute the agreement, authorizing staff to pursue implementation of the Phase Two Expansion of the Modesto Regional Water Treatment Plant under the terms of the Amended And Restated Treatment and Delivery Agreement, and approving the Downstream City Facilities Project as analyzed by the Final SEIR, including the design and construction of the Downstream City Facilities, which includes storage tanks, pipelines, flow control valves, pumps, and associated structures, acquisition of rights of way as necessary to implement the Downstream City Facilities, and any activities as necessary to obtain necessary permits or authorizations to implement the Downstream City Facilities.

COUNCIL COMMENTS & REPORTS

None.

HEARINGS

This item has been requested to be continued to 10/25/05 Agenda
Councilmember Marsh absent due to conflict of interest
22. Continued hearing to consider the appeal by NA Engineering and Development Company to a decision by the Planning Commission denying the application of NA Engineering and Development Company for a Tentative Parcel Map to divide an 8.45-Acre Property into two parcels, property located on the southeast corner of Roselle and Hillglen Avenues.
· Provide direction to staff on the acquisition of right-of-way for and construction of Hillglen Avenue and the roundabout at the intersection of Hillglen and Roselle Avenues.
· Resolution denying the appeal, directing the applicant to redesign the project to construct an aligned part-width Hillglen Avenue and sending the redesigned project back to Planning Commission for review.
Community & Economic Development; Josh Bridegroom, 571-5808, jbridegroom@modestogov.com

ACTION: By Motion (Hawn/Jackman; unan. Marsh absent) continued the hearing to October 25, 2005.

This item has been continued from 9/6/05
23. Hearing to consider approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,750 for a right of way located at the southwest corner of Coffee Road and Claratina Avenue.
· Resolution approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,750 for right of way located at the southwest corner of Coffee Road and Claratina Avenue recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2005-517 (Hawn/Marsh; unan.) approving a Capital Facilities Fee Reimbursement Agreement with William and Veronica Loretelli in the amount of $66,760 (corrected amount) for right of way located at the southwest corner of Coffee Road and Claratina Avenue.

Published in the Modesto Bee on September 14, 2005
24. Hearing to consider (i) establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit; (ii) determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); (iii) calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); (iv) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy); and (iv) introducing an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).
· Resolution establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit recommended.
· Resolution determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Resolution calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Resolution declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
· Introduce an ordinance authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy) recommended.
City Manager's Office Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-518 (Dunbar/Marsh; unan.) establishing City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy), authorizing the levy of special taxes therein and establishing an annual appropriations limit

ACTION: Resolution 2005-519 (Dunbar/Marsh; unan.) determining it necessary to incur bonded indebtedness, in an amount not to exceed $150 million, within City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: Resolution 2005-520 (Dunbar/Marsh; unan.) calling a special election for the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: Resolution 2005-521 (Dunbar/Marsh; unan.) declaring the results of a special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

ACTION: By Motion (Dunbar/Hawn; unan.) **introduced Ordinance No. 3397–C.S.** authorizing the levy of special taxes within the City of Modesto Community Facilities District No. 2005-1 (Hetch Hetchy).

Published in the Modesto Bee on September 18, 2005
Marsh absent due to a conflict of interest
25. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9); and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9) recommended.

· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-522 (Jackman/O'Bryant; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 9).

ACTION: Resolution 2005-523 (Jackman/O'Bryant; unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Councilmember Marsh left the meeting at 5:50 pm.
Published in the Modesto Bee on October 1, 2005
26. Hearing to consider the amended Capital Improvement Program for FY 2006.
· Resolution amending the Capital Improvement Program budget for FY 2005-2006 to re-appropriate existing projects, appropriate new projects and recognize additional revenues recommended.
Finance; Debra Eggerman, 577-5394, deggerman@modestogov.com

ACTION: By motion (Jackman/Dunbar; unan. Marsh absent) continued to October 25, 2005.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

The meeting adjourned at 7:30 p.m.

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2005-0191073-00
Tuesday, OCT 18, 2005 10:30:35
Ttl Pd $0.00 Nbr-0001921958
OBI/R3/1-4

Recording requested by and)
when recorded, please return to:)

Jean Zahr, City Clerk)
City of Modesto)
1010 - 10th Street)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 9)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on October 11, 2005. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien..

Notice is further given that, as a result of this annexation (Annexation No. 9), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 9), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-009-005	Housing Authority of the County of Stanislaus, a California Nonprofit Benefit Corporation
085-009-004	Village One Plaza, LLC
085-018-060	Spar Construction, Inc., a California Corporation
077-008-032	Centex Homes, a Nevada general partnership
077-008-033	Centex Homes, a Nevada general partnership
085-001-046	Burkshire Estates, LLC, a California limited liability company
085-001-017	Aloys A. Fischer, Jr. and Joyce A. Fischer, Trustees, Fischer Family Trust

085-001-047	Jim D. Sanford, an unmarried man as to an undivided 38.14% interest, Richard A. Sanford, a married man as to an undivided 11.86% interest and Richard Wayne Fritz, Sr., and Pamela J. Fritz, husband and wife as community property as to an undivided 50% interest

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 9 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on September 8, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 27, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: October 12, 2005

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 11/30/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 10-12-05 before me, Esther Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. #1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-456

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 10)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Proposed Boundaries of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California" on file with the County Recorder of the County of Stanislaus, at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 85; the map entitled "Proposed Boundaries of Annexation #1 to City of Modesto CFD No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 86 (as amended by the map entitled "Annexation Map No. 1 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at page 90); the map entitled "Annexation Map No. 2 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 91; the map entitled "Annexation Map No. 3 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 96; the map entitled "Annexation Map No. 4 of Community Facilities District No. 2004-1 (Village

One #2)," on file with the County Recorder at Book 3 of Maps of Assessment and Community Facilities Districts, at Page 99; the map entitled "Annexation Map No. 5 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 2; the map entitled "Annexation Map No. 6 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 7; the map entitled "Annexation Map No. 7 of Community Facilities District No. 2004-1 (Village One #2), As Amended," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 12; the map entitled "Annexation Map No. 8 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 20; and the map entitled "Annexation Map No. 9 of Community Facilities District No. 2004-1 (Village One #2)," on file with the County Recorder at Book 4 of Maps and Assessment and Community Facilities Districts, at Page 27.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 10 of Community Facilities District No. 2004-1 (Village One #2), of the City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date

and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, October 25, 2005, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made.

All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 13th day of September 2005, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Jackman, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Marsh

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Mike Milich
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 11/29/05

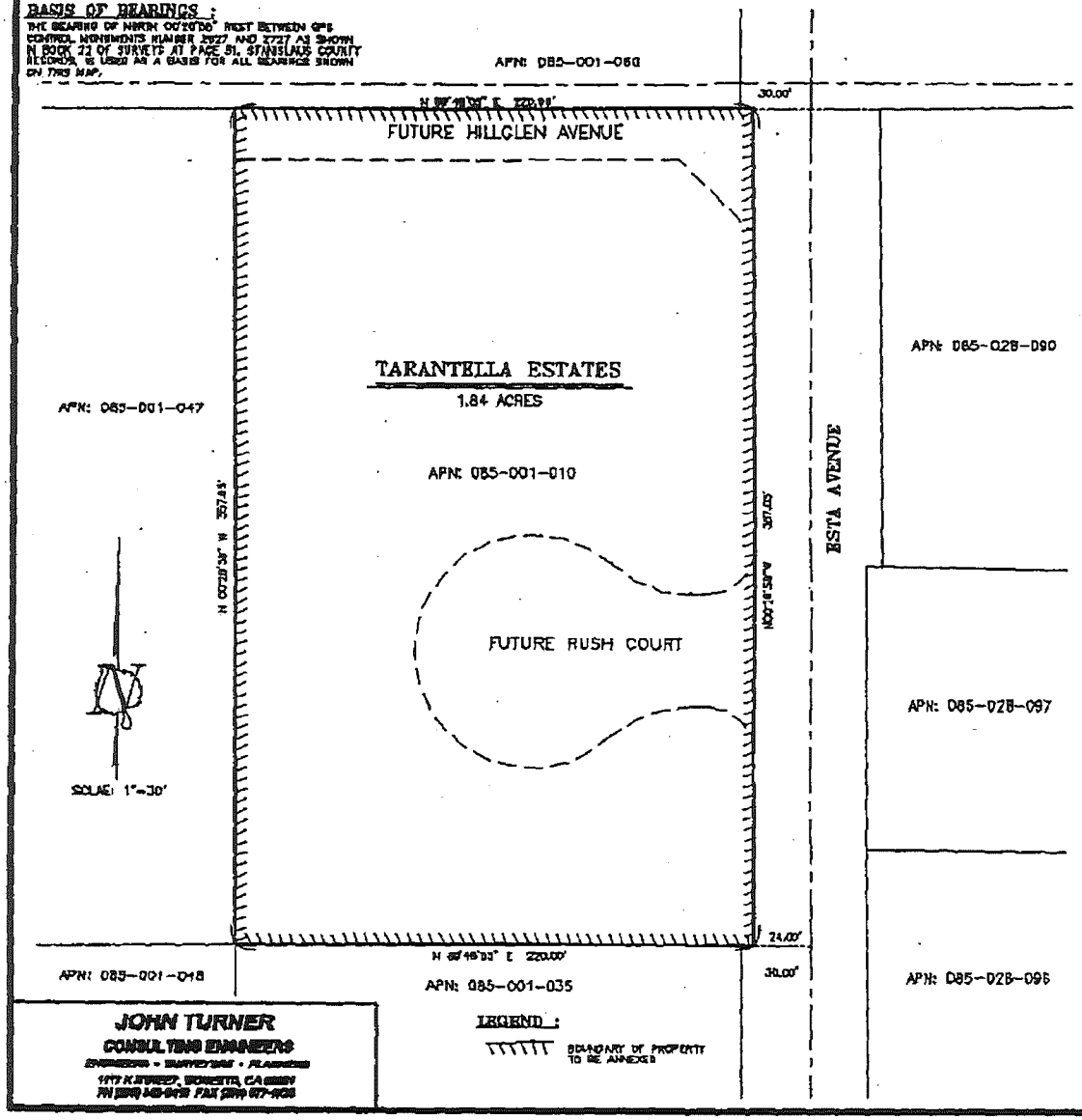
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

ANNEXATION NO. 9 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map

BASIS OF BEARINGS :
THE BEARING OF NORTH 00°20'00" WEST BETWEEN GPS CONTROL MONUMENTS NUMBER 2927 AND 2727 AS SHOWN IN BOOK 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, IS USED AS A BASIS FOR ALL BEARINGS SHOWN ON THIS MAP.



LEGEND :
BOUNDARY OF PROPERTY TO BE ANNEXED

JOHN TURNER
CONSULTING ENGINEERS
ENGINEERING • SURVEYING • PLANNING
1417 K STREET, MODESTO, CA 95354
PH (209) 529-5450 FAX (209) 527-9130

ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO - COUNTY OF STANISLAUS - STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2006.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 8 OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR THEREOF, HELD ON _____ DAY OF _____ 2006, BY IT'S RESOLUTION NO. _____ .

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH HAS RECORDED ON MARCH 18, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA.

A MAP OF ANNEXATION NO. 1 TO THE DISTRICT HAS RECORDED ON MARCH 23, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 89, IN THAT OFFICE. (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 90, IN THAT OFFICE).

A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 28, 2004, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 3, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 8 TO THE DISTRICT WAS RECORDED ON JUNE 29, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 20, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 9 TO THE DISTRICT WAS RECORDED ON _____, IN BOOK ____ OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2006, AT THE HOUR OF _____ O'CLOCK ___M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEE LANDRIGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

SHEET 1 OF 1

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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City Council Calendar

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 13, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Rick Fritzmeier, Youth for Christ.

City Clerk's Announcements: Item 7 removed from Consent
Item 14 moved to follow Item 9A

Declaration of Conflicts of Interest: Marsh - Item 4
Hawn - Item 11

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of plaque in memory of the late John Kenealy by members of the California Association of Physically Handicapped Chapter #37.

ACTION: Presentation made by Bev Hatcher, Parks, Recreation and Neighborhoods Department and Mayor Ridenour.

2. Introduction of City's new Chief Information Officer, Gary Cook.

ACTION: Introduction made by Judith Ray, Deputy City Manager

ORAL COMMUNICATIONS
Three minute time limit per speaker

Dale Gene Williams thanked the Council for displaying the POW MIA flag.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 9A

ACTION: Consent Items 3- 6, 8, 9, 9A: Jackman/Dunbar; unan.

ACTION Consent Item 7: Hawn/Jackman; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of September 6, 2005.
(Motion approving recommended.)
Clerk; Rebecca Bartholomew, 577-5397, rbartholomew@modestogov.com

ACTION: By Motion (Jackman/Dunbar; unan.) approving the minutes of September 6, 2005.

CONSENT
Marsh absent due to conflict
4. Consider annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10).
· Resolution of Intention to Annex Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10) recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005- 456 (Dunbar/Jackman; unan. Marsh absent due to conflict of interest) approving annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10).

CONSENT
5. Consider approving an Acquisition and Shortfall agreement between the City of Modesto Community Facilities District No. 2004-1 (Village One No. 2) and Sylvan School District for the installation of a storm drain line on Kodiak Drive (adjacent to Sanders Park site) and authorizing the District Administrator to execute the agreement.
· Resolution approving an Acquisition and Shortfall agreement between the City of Modesto Community Facilities District No. 2004-1 (Village One No. 2) and Sylvan School District for the installation of a storm drain line on Kodiak Drive (adjacent to Sanders Park site) and authorizing the District Administrator to execute the agreement recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-457 (Jackman/Dunbar; unan.) approving an Acquisition and Shortfall agreement between the City of Modesto Community Facilities District No. 2004-1 (Village One No. 2) and Sylvan School District for the installation of a storm drain line on Kodiak Drive (adjacent to Sanders Park site) and authorizing the District Administrator to execute the agreement.

CONSENT
6. Consider authorizing the award of bid and contract for the purchase of INET system equipment to Netlogic Solutions for a total bid price of $246,858.94.
· Resolution authorizing the award of bid and contract for the purchase of INET system equipment to Netlogic Solutions for a total bid price of $246,858.94 recommended.

Finance, Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2005-458 (Jackman/Dunbar; unan.) authorizing the award of bid and contract for the purchase of INET system equipment to Netlogic Solutions for a total bid price of $246,858.94.

Removed from Consent

7. Consider approving an agreement with Turnstone Consulting for preparation of a Master Environmental Impact Report for the City's Wastewater Master Plan and Wastewater Rates and Collection Fees Updates in an amount not to exceed $456,396, authorizing the City Manager to execute the Agreement and amend the FY 2006 CIP Budget by a total amount of $785,400.

· Resolution approving an agreement with Turnstone Consulting for preparation of a Master Environmental Impact Report for the City's Wastewater Master Plan and Wastewater Rates and Collection Fees Updates in an amount not to exceed $456,396, and authorizing the City Manager to execute the Agreement recommended.

· Resolution to amend the FY 2006 CIP Budget: a) to reduce Collection Systems Rehab Project 6210-480-B574 by $150,000; b) to reduce Annual R&R Primary Site Project 6210-480-B576 by $317,700; c) to reduce Annual R&R Secondary Site Project 6210-480-B577 by $317,700 and return those funds to Wastewater Fund Balance 6210-800-8000-8003 to be reallocated to the Wastewater Master Plan 6210-430-A208 for a total of $785,400 recommended.

Public Works, Rich Ulm, 577-5215, rulm@modestogov.com

ACTION: Resolution 2005-459 (Hawn/Jackman; unan.) approving an agreement with Turnstone Consulting for preparation of a Master Environmental Impact Report for the City's Wastewater Master Plan and Wastewater Rates and Collection Fees Updates in an amount not to exceed $456,396, and authorizing the City Manager to execute the Agreement.

ACTION: Resolution 2005-460 (Hawn/Jackman; unan.) amending the FY 2006 CIP Budget: a) to reduce Collection Systems Rehab Project 6210-480-B574 by $150,000; b) to reduce Annual R&R Primary Site Project 6210-480-B576 by $317,700; c) to reduce Annual R&R Secondary Site Project 6210-480-B577 by $317,700 and return those funds to Wastewater Fund Balance 6210-800-8000-8003 to be reallocated to the Wastewater Master Plan 6210-430-A208 for a total of $785,400.

CONSENT

8. Consider accepting the work by Vanguard Construction for the "2004 ADA Curb Ramp Construction" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $171,470.50 per the contract. Total project cost is $225,166.24.

· Resolution accepting the work by Vanguard Construction for the "2004 ADA Curb Ramp Construction" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $171,470.50 per the contract. Total project cost is $225,166.24, which included construction contingency, construction administration, and engineering design recommended.

Public Works, Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2005-461 (Jackman/Dunbar; unan) accepting the work by Vanguard Construction for the "2004 ADA Curb Ramp Construction" project as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $171,470.50 per the contract. Total project cost is $225,166.24, which included construction contingency, construction administration, and engineering design.

CONSENT

9. Consider approving the plans and specifications for the Pump Station for Well 62

at Freedom Park Project, accepting the bid and approving a $632,315 contract with R.L. Davis Construction Co., Inc., for the project titled, "Pump Station for Well 62 at Freedom Park," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $1,060,800; and certifying a Mitigated Negative Declaration (SCH #2005042019) for the Wells Replacement Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document.
· Resolution approving the plans and specifications for the Pump Station for Well 62 at Freedom Park Project, accepting the bid and approving a $632,315 contract with R.L. Davis Construction Co., Inc., for the project titled, "Pump Station for Well 62 at Freedom Park," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $1,060,800, which includes test hole and well development, engineering design, pump station construction contract, construction contingency, and construction administration recommended.
· Resolution certifying a Mitigated Negative Declaration (SCH #2005042019) for the Wells Replacement Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2005-462 (Jackman/Dunbar; unan) approving the plans and specifications for the Pump Station for Well 62 at Freedom Park Project, accepting the bid and approving a $632,315 contract with R.L. Davis Construction Co., Inc., for the project titled, "Pump Station for Well 62 at Freedom Park," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $1,060,800, which includes test hole and well development, engineering design, pump station construction contract, construction contingency, and construction administration.

ACTION: Resolution 2005-463 (Jackman/Dunbar; unan) certifying a Mitigated Negative Declaration (SCH #2005042019) for the Wells Replacement Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document.

CONSENT (Addendum)
9A. Consider authorizing the purchase and installation of a Liebert 65KVA uninterruptible power supply for the IT Department, for a total estimated cost of $100,000.
· Resolution authorizing the purchase and installation of a Liebert 65KVA uninterruptible power supply for the IT Department, for a total estimated cost of $100,000 recommended.
Finance, Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2005-464 (Jackman/Dunbar; unan) authorizing the purchase and installation of a Liebert 65KVA uninterruptible power supply for the IT Department, for a total estimated cost of $100,000.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

Moved from 9/6/05 Agenda per Mr. Sabatino Request
10. Request from Carmen Sabatino, former Mayor of Modesto, regarding "a Charter Committee comprised of the President of the Stanislaus County Bar Association, two retired judges and two attorneys from different law firms would be formed to define the duties and responsibilities of the City Attorney's Office."

ACTION: Carmen Sabatino was not available to comment at the meeting.

HEARINGS

Hawn absent due to conflict
Published in the Bee on August 21, 2005
Mailed to property owners on August 18, 2005
11. Hearing to consider the application of Ernie Yoshino to rezone .35 acres located on the west side of Coffee Road, south of Athens Drive, from R-3 Medium-High Density Residential Zone, to Planned Development Zone, P-D(574), to convert an existing 2,002-square-foot residence into a medical office.
· Motion introducing an Ordinance amending section 16-3-9 of the Zoning Map from Medium-High Density Residential Zone, (R-3), to Planned Development Zone, P-D(574) (Ernie Yoshino) recommended.
· Resolution approving a Development Plan for P-D(574) (Ernie Yoshino) recommended.
· Resolution finding the project within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041): amending section 16-3-9 of the Zoning Map to rezone from Medium-High Density Residential Zone, R-3, to Planned Development Zone, P-D(574), property located on the west side of Coffee Road south of Athens Avenue (Ernie Yoshino) recommended.
Community & Economic Development; Rita Doscher, 577-5279, rdoscher@modestogov.com

ACTION: By Motion (Dunbar/Keating; unan. Hawn and O'Bryant absent) **introducing Ordinance 3394** amending section 16-3-9 of the Zoning Map from Medium-High Density Residential Zone, (R-3), to Planned Development Zone, P-D(574) (Ernie Yoshino).

ACTION: Resolution 2005-465 (Dunbar/Keating; unan. Hawn and O'Bryant absent) approving a Development Plan for P-D(574) (Ernie Yoshino).

ACTION: Resolution 2005-466 (Dunbar/Keating; unan. Hawn and O'Bryant absent) finding the project within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041): amending section 16-3-9 of the Zoning Map to rezone from Medium-High Density Residential Zone, R-3, to Planned Development Zone, P-D(574), property located on the west side of Coffee Road south of Athens Avenue (Ernie Yoshino).

Published in the Bee on August 21, 2005
Mailed to property owners on August 18, 2005
12. Hearing to consider an application of Mid-Valley Engineering, for an amendment to Section 9-3-9 of the Zoning Map to rezone from, R-1 (Low- Density Residential), to P-D, Planned Development Zone, to allow the property owner to establish a medical office complex, property located at 3109 Coffee Road north of Rumble Road. (Mutual Venture Partners).
· Introduction of an Ordinance Amending Section 9-3-9 of the Zoning Map from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(573). (Mutual Venture Partners) recommended.
· Resolution approving a Development Plan for P-D(573). (Mutual Venture Partners) recommended.
· Resolution finding the project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041): Amending Section 9-3-9 of the Zoning Map to Rezone from Low-Density Residential Zone, R-1, to Planned Development Zone, P-D(573), property located on the west side of Coffee Road North of Rumble Road. (Mutual Venture Partners) recommended.
Community & Economic Development; Daniel De La O, 577-5302, ddelao@modestogov.com

ACTION: By Motion (Marsh/Jackman; unan. O'Bryant absent) **introducing Ordinance 3395** Amending Section 9-3-9 of the Zoning Map from Low- Density Residential Zone, (R-1), to Planned Development Zone, P-D(573). (Mutual Venture Partners).

ACTION: Resolution 2005-467 (Marsh/Jackman; unan O'Bryant absent) approving a Development Plan for P-D(573). (Mutual Venture Partners).

ACTION: Resolution 2005- 468 (Marsh/Jackman; unan O'Bryant absent) finding the project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (SCH No. 1999082041): Amending Section 9-3-9 of the Zoning Map to Rezone from Low- Density Residential Zone, R-1, to Planned Development Zone, P-D(573), property located on the west side of Coffee Road North of Rumble Road. (Mutual Venture Partners).

Published in the Bee on August 15, 2005
Published in Vida en el Valle on Thursday, August 18, 2005
13. Hearing to consider approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2004-2005, and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD) and consider approving the City of Modesto Citizen Participation Plan and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD).
· Resolution approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2004-2005, and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD) recommended.
· Resolution approving the City of Modesto Citizen Participation Plan and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD) recommended.
Parks, Recreation & Neighborhoods, Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2005-469 (Jackman/Keating; unan. O'Bryant absent) approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2004-2005, and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD).

ACTION: Resolution 2005-470 (Jackman/Keating; unan. O'Bryant absent) approving the City of Modesto Citizen Participation Plan and authorizing the City Manager to submit the report to the U.S. Department of Housing and Urban Development (HUD).

NEW BUSINESS

14. Consider potential environmental effects of the Tuolumne River Regional Park Gateway Parcel have been adequately addressed by the previously certified Master Environmental Impact Report for the Tuolumne River Regional Park Master Plan (SCH No. 2000022028) and approving the Tuolumne River Regional Park Gateway Parcel Precise Plan.
· Resolution finding that the potential environmental effects of the Tuolumne River Regional Park Gateway Parcel have been adequately addressed by the previously certified Master Environmental Impact Report for the Tuolumne River Regional Park Master Plan (SCH No. 2000022028) recommended.
· Resolution approving the Tuolumne River Regional Park Gateway Parcel Precise Plan recommended.
Parks, Recreation & Neighborhoods; Doug Critchfield, 577-5353, dcritchfield@modestogov.com

ACTION: Resolution 2005-471 (Marsh/O'Bryant; unan.) finding that the potential environmental effects of the Tuolumne River Regional Park Gateway Parcel have been

adequately addressed by the previously certified Master Environmental Impact Report for the Tuolumne River Regional Park Master Plan (SCH No. 2000022028).

ACTION: Resolution 2005- 472 (Marsh/O'Bryant; unan.) approving the Tuolumne River Regional Park Gateway Parcel Precise Plan.

Recess 7:15
Reconvene 7:25

15. Consider finding that the proposed development of the Sanders Neighborhood Park is within the scope of the previously certified Village One Specific Plan Program EIR as amended by the Village One Supplemental EIR (SCH No. 90020181) and the Addendum to the EIR (SCH No. 90020181), and that the Village One Program EIR adequately describes the proposed park development for purposes of CEQA and consider approving the Design Development Report and Master Plan included therein for Sanders Neighborhood Park.
· Resolution finding that the proposed development of the Sanders Neighborhood Park is within the scope of the previously certified Village One Specific Plan Program EIR as amended by the Village One Supplemental EIR (SCH No. 90020181) and the Addendum to the EIR (SCH No. 90020181), and that the Village One Program EIR adequately describes the proposed park development for purposes of CEQA recommended.
· Resolution approving the Design Development Report and Master Plan included therein for Sanders Neighborhood Park recommended.
Parks, Recreation & Neighbhoods, Nathan G. Houx, 571-5526, nhoux@modestogov.com

ACTION: Resolution 2005- 473 (Dunbar/Jackman; unan. O'Bryant absent) finding that the proposed development of the Sanders Neighborhood Park is within the scope of the previously certified Village One Specific Plan Program EIR as amended by the Village One Supplemental EIR (SCH No. 90020181) and the Addendum to the EIR (SCH No. 90020181), and that the Village One Program EIR adequately describes the proposed park development for purposes of CEQA.

ACTION: Resolution 2005-474 (Dunbar/Jackman; unan. O'Bryant) approving the Design Development Report and Master Plan included therein for Sanders Neighborhood Park.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:30 p.m.

All closed sessions heard prior to the meeting.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Laura Michelle Mireles v. City of Modesto, Gregory Allen Miller, and Does 1-20
Stanislaus County Superior Court Case No. 349325

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Negotiations: Modesto Confidential and Management Association (MCMA)

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Negotiations: Modesto City Employees Association (MCEA)

CONFERENCE WITH REAL PROPERTY NEGOTIATOR:
(Pursuant to Section 54956.8 of the Government Code)

Property: Sale of Tower Park, located at 17th & G Streets

APN: 106-006-002

City of Modesto, Owner

Negotiating Parties: City of Modesto, Owner
Modesto Redevelopment Agency, Buyer

Under negotiation: Price and terms of sale for property rights to be disposed.

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

OCTOBER 1, 2005

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

OCTOBER 1, 2005

(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.2004I (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.10

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on September 13, 2005, adopt its Resolution No.2005-456 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004I (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of eight parcels identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No. 085-001-010. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2005-456. The time and place for the hearing is Tuesday, October 25, 2005 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2005-456. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.Dated: September _, 2005
Jean Zohr
City Clerk

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 10 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto as Annexation No. 10.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

9/20/05, 2005
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 10

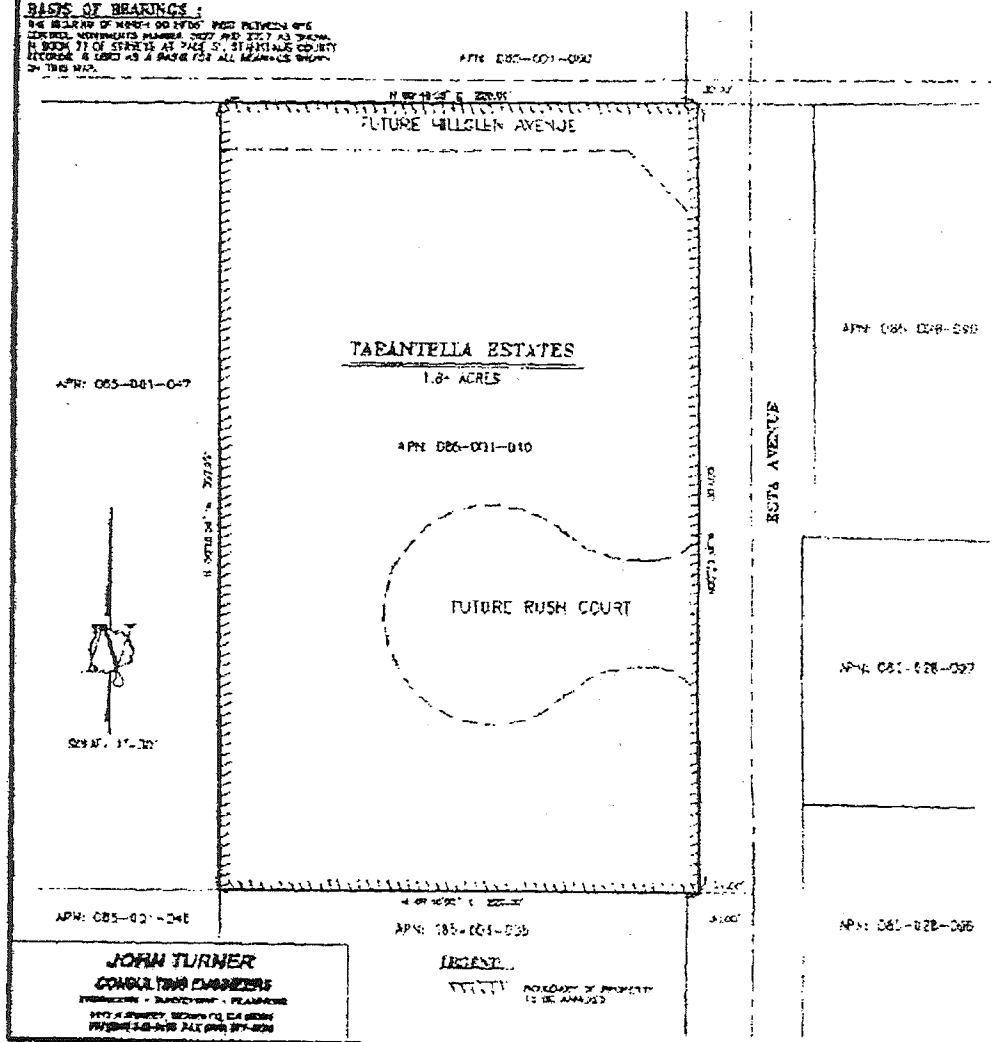
Assessor's Parcel Numbers	Owner's Name	Owner's Addresses
085-001-010	John S. Rush, an unmarried man	520 Bellwood Lane Modesto, CA 95355

ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MENIFEE - COUNTY OF RIVERSIDE - STATE OF CALIFORNIA

BASIS OF BEARINGS:

THE BEARING OF NORTH 00 DEGREES WEST BETWEEN THE CENTERLINE MONUMENTS NUMBER 2027 AND 2267 AS SHOWN IN BOOK 71 OF SURVEYS AT PAGE 57, RIVERSIDE COUNTY RECORDS IS USED AS A BASIS FOR ALL BEARINGS SHOWN ON THIS MAP.



JOHN TURNER
CONSULTING ENGINEERS
ENGINEERING • SURVEYING • PLANNING

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MENIFEE COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MENIFEE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. THE BOUNDARY MAP FOR WHICH HAS BEEN RECORDED ON MARCH 10, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 83, IN THE OFFICE OF THE COUNTY RECORDER, OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

A MAP OF ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON JANUARY 13, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 84, IN THAT OFFICE. (AS AMENDED BY THE MAP OF THE ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1, VILLAGE ONE #2" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 92, IN THAT OFFICE)

A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 31, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 93, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 10, 2004 IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 10, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON NOVEMBER 30, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 10, 2005, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON APRIL 6, 2005, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 8 TO THE DISTRICT WAS RECORDED ON JUNE 13, 2005, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 20, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 9 TO THE DISTRICT WAS RECORDED ON _____, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE _____, IN THAT OFFICE.

JOHN DAVIS, CITY CLERK

BY: _____

PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

LEE LAUDERDALE, COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

BY: _____

PRINT NAME

SHEET 1 OF 1

Stanislaus County
Striving to be the Best

OF :E OF COUNTY CLERK-RECORDER

LEE LUNDRIGAN
Clerk-Recorder

Clerk: PO Box 1670, Modesto, CA 95353
Phone: 209.525.5250
Recorder: PO Box 1008, Modesto, CA 95353
Phone: 209.525.5260

CERTIFICATE OF REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 10 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On September 26, 2005, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 7 persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE
COUNTY OF STANISLAUS

By: Lee Lundrigan

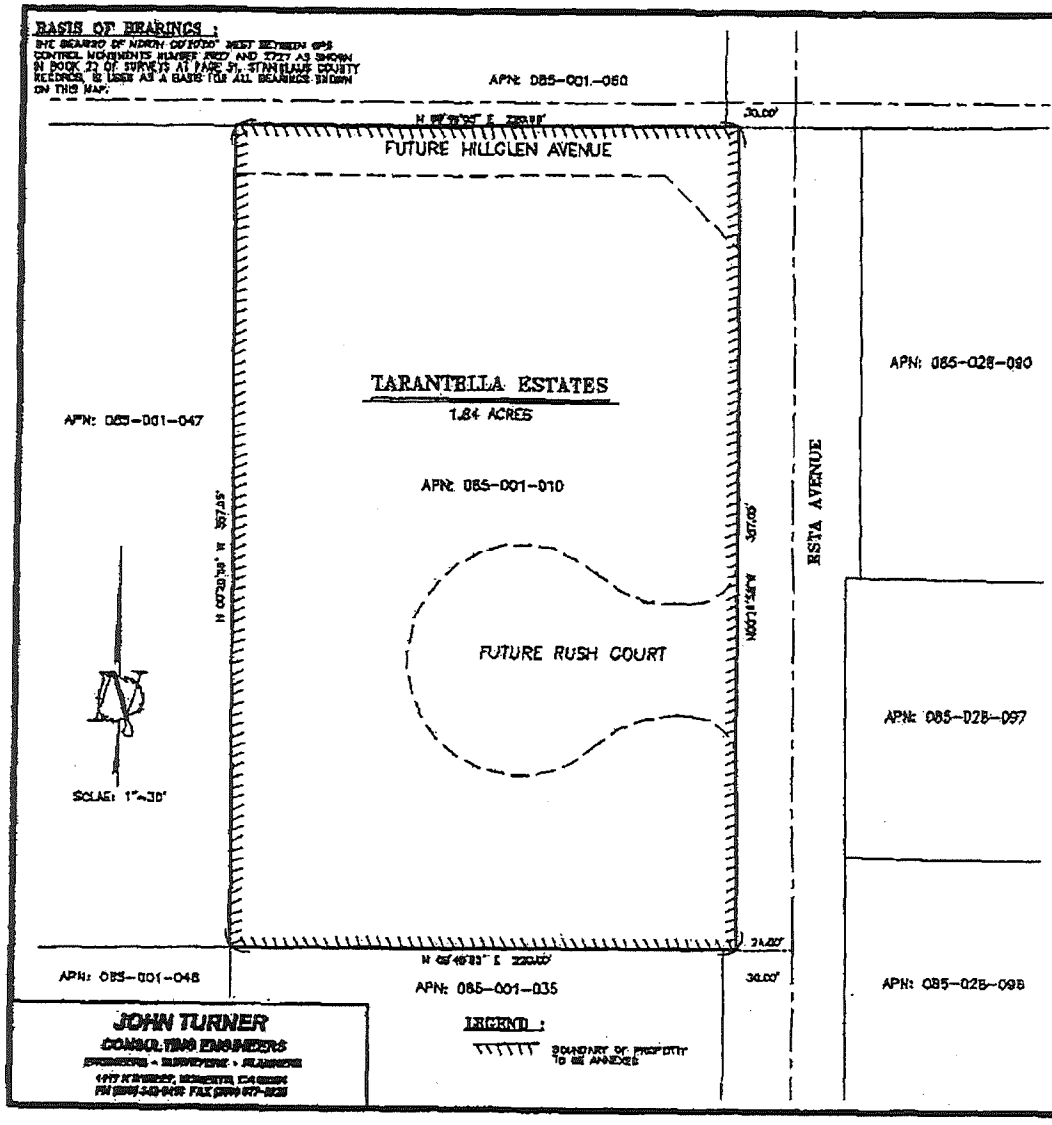
Lee Lundrigan

September 26, 2005
Date of Execution

Modesto, California
Place of Execution

ANNEXATION NO. 10 TO COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

BASIS OF BEARINGS :
THE BEARING OF NORTH 00°10'00" WEST BETWEEN GPS CONTROL MONUMENTS NUMBER 3927 AND 3727 AS SHOWN IN BOOK 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, IS USED AS A BASIS FOR ALL BEARINGS SHOWN ON THIS MAP.



JOHN TURNER
CONSULTING ENGINEERS
ENGINEERS • SURVEYORS • PLANNERS
1417 N STREET, MODESTO, CA 95354
PH (209) 342-9400 FAX (209) 577-8220

ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO – COUNTY OF STANISLAUS – STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO
THIS _____ DAY OF _____, 2005.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 8 OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR THEREOF, HELD ON _____ DAY OF _____, 2005, BY IT'S RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH HAS RECORDED ON MARCH 16, 2004, IN BOOK 2 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 85, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA.

A MAP OF ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 29, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THAT OFFICE, (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 18, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 90, IN THAT OFFICE).

A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 31, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 99, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 25, 2004, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 3, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 8 TO THE DISTRICT WAS RECORDED ON JUNE 29, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 20, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 9 TO THE DISTRICT WAS RECORDED ON _____, IN BOOK _____ OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK ___M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEE LINDRIGAN, COUNTY RECORDER OF THE
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

SHEET 1 OF 1

John S. Rush
A.P. No. 085-001-010

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 10

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-010 (the "Property") being land proposed to be annexed, as Annexation No. 9, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2005-456 (the "Resolution of Intention to Annex"), adopted on September 13, 2005. The land proposed to be annexed to the District as Annexation No. 10 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: John Rush, an unmarried man.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. __ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated _____, and recorded on 2-14-05, ~~in Book~~ __ ~~at Page~~ __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. Instrument #0025472
The name and address of the Beneficiary thereunder is: _____

_____; the name and address of the Trustee thereunder is: Fidelity National Title, 3425 Coffee Road Ste G Modesto CA 95355 209-529-0231.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate John Rush as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 520 Bellwood Lane Modesto CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 11-2-, 2005

LANDOWNER: John S. Rush, an unmarried man

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: John S Rush

By: _____

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2005-456 (the "Resolution") to annex certain territory (Annexation No. 10) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: 11-2-, 2005

JAME VANPARKS, a California
_____ ("Lender")

By: James VanParks
Name: JAMES VANPARKS
Title: BENEFICIARY

By: _____
Name: _____
Title: _____

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

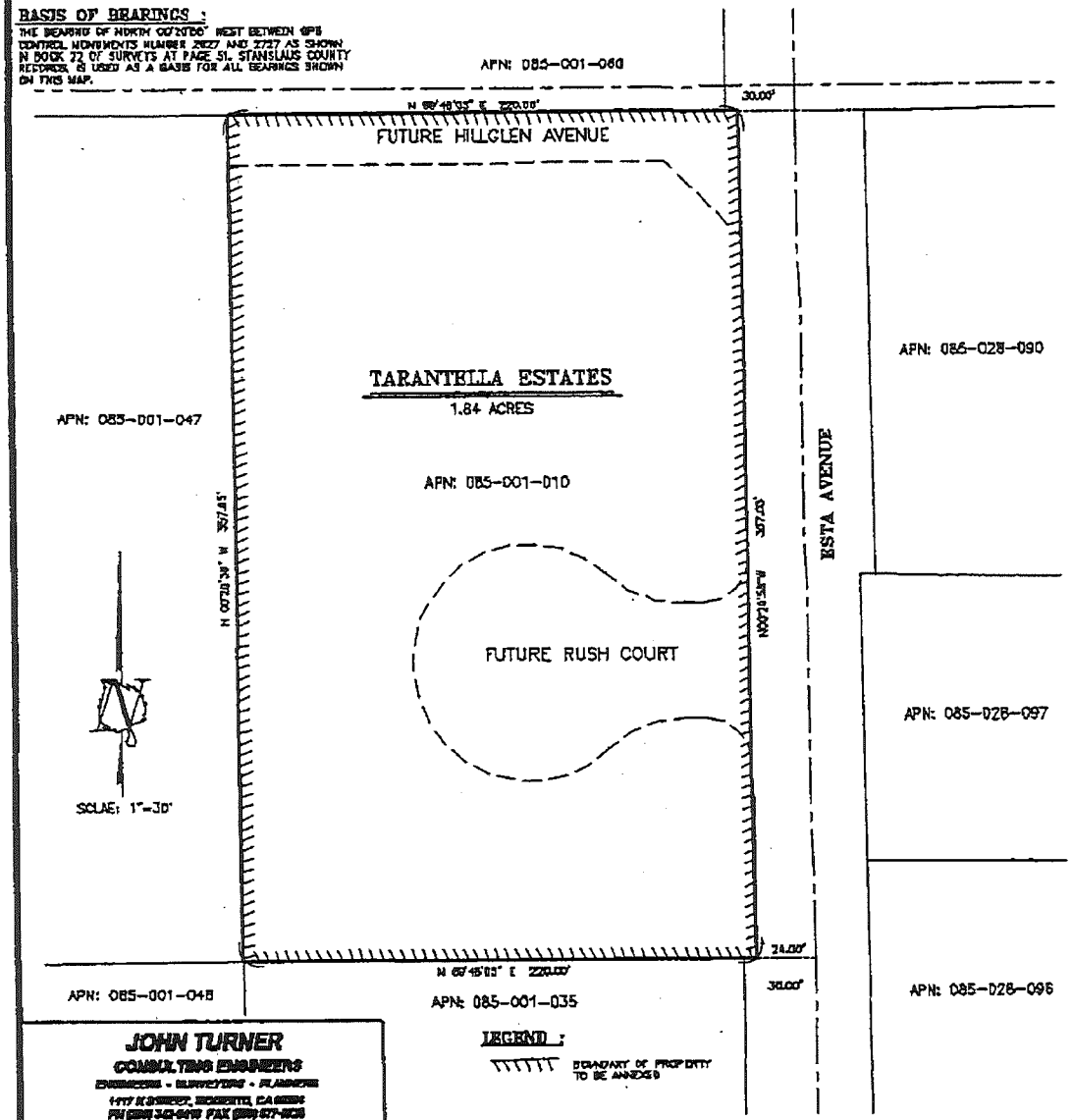
EXHIBIT A

ANNEXATION NO. 10 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2004-01 (VILLAGE ONE #2)

CITY OF MODESTO - COUNTY OF STANISLAUS - STATE OF CALIFORNIA

BASIS OF BEARINGS :
THE BEARING OF NORTH 00°20'00" WEST BETWEEN GPS CONTROL MONUMENTS NUMBER 2627 AND 2727 AS SHOWN IN BOOK 22 OF SURVEYS AT PAGE 51, STANISLAUS COUNTY RECORDS, IS USED AS A BASIS FOR ALL BEARINGS SHOWN ON THIS MAP.



JOHN TURNER
CONSULTING ENGINEERS
ENGINEERING - SURVEYING - PLANNING
1117 K STREET, MODESTO, CA 95354
PH (209) 342-6410 FAX (209) 527-1036

CITY OF MODESTO - COUNTY OF STANISLAUS - STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____ 2005.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 8 OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR THEREOF, HELD ON _____ DAY OF _____, 2005, BY IT'S RESOLUTION NO. _____.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE BOUNDARY MAP FOR WHICH HAS RECORDED ON MARCH 16, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA.

A MAP OF ANNEXATION NO. 1 TO THE DISTRICT WAS RECORDED ON MARCH 25, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 88, IN THAT OFFICE. (AS AMENDED BY THE MAP ENTITLED "ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)" RECORDED ON MAY 14, 2004, IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 90, IN THAT OFFICE).

A MAP OF ANNEXATION NO. 2 TO THE DISTRICT WAS RECORDED ON MAY 21, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 91, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 3 TO THE DISTRICT WAS RECORDED ON AUGUST 11, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 96, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 4 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 15, 2004, IN BOOK 3 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 98, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 5 TO THE DISTRICT WAS RECORDED ON OCTOBER 28, 2004, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 2, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 6 TO THE DISTRICT WAS RECORDED ON JANUARY 12, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 7, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 7 TO THE DISTRICT WAS RECORDED ON MAY 5, 2005, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 8 TO THE DISTRICT WAS RECORDED ON JUNE 29, 2006, IN BOOK 4 OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 20, IN THAT OFFICE.

A MAP OF ANNEXATION NO. 9 TO THE DISTRICT WAS RECORDED ON _____, IN BOOK _____ OF MAP ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____, IN THAT OFFICE.

JEAN ZAHR, CITY CLERK

BY: _____

_____
PRINT NAME

FILED THIS _____ DAY OF _____, 2005, AT THE HOUR OF _____ O'CLOCK ___M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEE LUNDERGAN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____

_____
PRINT NAME

SHEET 1 OF 1

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Zahr, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 10)," adopted by the City Council of the City of Modesto on September 13, 2005, I am the designated election official to conduct the special election described in that Resolution.

3. On November 1, 2005, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 10. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN ZAHR, CITY CLERK

Signature: Jean Zahr

Date of Execution: November 1, 2005

Place of Execution: Modesto, California

THIS IS TO CERTIFY THAT THIS
IS A TRUE COPY OF THE DOCUMENT ON
FILE WITH THIS OFFICE.
DATE 1/4/06

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
John S. Rush, an unmarried man	520 Bellwood Drive, Modesto, CA 95356	1	100%

BALLOT PAMPHLET
(containing Instructions to Landowner Voters and Sample Official Ballot)

City of Modesto
Community Facilities District No. 2004-1
(Village One #2)

Annexation No. 10

Special Tax Election
(Mello-Roos Community Facilities Act of 1982)

November 9, 2005

INSTRUCTIONS TO LANDOWNER VOTERS

HOW TO VOTE YOUR BALLOT

Vote your official ballot by placing an "X" in the voting square opposite your choice with a pen or pencil.

SPOILING YOUR BALLOT

If you make an error in voting, tear or deface your ballot, or lose your ballot, call the Office of the City Clerk of the City of Modesto as soon as possible at (209) 577-5398, Monday through Friday between the hours of 9:00 a.m. and noon for instructions.

RETURNING YOUR BALLOT

Enclose your ballot and the Authorization statement in the Identification Envelope provided. Supply all information requested on the Identification Envelope. YOUR VOTE MAY BE DISQUALIFIED IF YOU DO NOT FILL IN ALL THE INFORMATION.

Enclose the completed Identification Envelope, and place it in the Return Envelope provided.

WHO IS AUTHORIZED TO VOTE

The ballot must be voted by the individual who is the owner of property proposed to be annexed, as a part of Annexation No. 10, to the City's Community Facilities District No. 2004-1 (Village One #2), or by an authorized representative of the owner in the event the owner is a corporation, partnership or other entity. Enclosed in the ballot package is a form of "Authorization" for certification that the individual who voted the ballot was authorized by the landowner to vote the ballot. The Authorization must be completed identifying the name and address of the landowner (as shown on title records relating to the property), the date and location of voting the ballot, and the name, title and address of the individual who voted the ballot. The Authorization must be returned with the ballot, in the enclosed Return Envelope, in order for the ballot to be counted.

LAST DAY TO RETURN TO OFFICE OF THE CITY CLERK

Your ballot must be returned to the office of the City Clerk of the City of Modesto not later than noon on November 9, 2005, for it to be counted. YOUR BALLOT CANNOT BE ACCEPTED BEYOND THIS DEADLINE.

Your ballot and Authorization statement, placed in the Identification Envelope, may be mailed in the Return Envelope provided for this purpose, or the ballot may be delivered, along with the Authorization statement, in the Identification Envelope, to the office of the City Clerk of the City of Modesto, 1010 Tenth Street, Modesto, California 95353.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

SPECIAL TAX ELECTION

November 9, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted by the City Council of the City of Modesto on September 13, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

___% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

SPECIAL TAX ELECTION

November 9, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted by the City Council of the City of Modesto on September 13, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **John S. Rush**, certify as follows:

(1) I am the Authorized Representative of John S. Rush, an unmarried man, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 10 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-010 (the "Parcel"), which comprises approximately 1.3 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on _____, 2005 at _____
_____, _____.

_____
Signature of Authorized Representative (Voter)

_____
_____
_____
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-562

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 10)

WHEREAS, this Council did, on September 13, 2005, adopt its Resolution No. 2005-456 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1; and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 10 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on September 23, 2005, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 29; and

WHEREAS, at the time and date set for the hearing (October 25, 2005 and continued to November 9, 2005) pursuant to the Resolution of Intention to Annex, this Council held the public hearing on Wednesday, November 9, 2005, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone

#2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return

postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 9th day of November 2005. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying

the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681) and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a special meeting of the Council of the City of Modesto held on the 9th of November 2005, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Jackman, Keating, Marsh, O'Bryant
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Hawn, Mayor Ridenour

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/29/05

Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

SPECIAL TAX ELECTION

November 9, 2005

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted by the City Council of the City of Modesto on September 13, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
SPECIAL CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Wednesday, November 9, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Jackman, Keating, Marsh, O'Bryant

Absent: Hawn, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Mark Guerrero, Bethel Church

City Clerk's Announcements - Item 4 removed from Consent

Declaration of Conflicts of Interest - Marsh Item 17 and 19

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of David Rawe, Assistant Risk Manager, and Rosemary Carrancho, Employee Benefits Coordinator, by Robin Renwick, Personnel Director.

ACTION: Introductions made by Robin Renwick, Personnel Director.

2. Presentation by Stanislaus Partners in Education (SPIE) in recognition of the Modesto Police Department for youth and educational partnerships, and Modesto Police Department's receipt of SPIE's The Peter W. Johansen Award.

ACTION: Presentation made by Roy Wasden, Police Chief.

ORAL COMMUNICATIONS

None.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 14

ACTION Consent Items 3, 5 - 14: Keating/Dunbar; unan; Hawn and Ridenour absent

ACTION Consent Item 4: Keating/O'Bryant; majority; Dunbar, no; Hawn & Ridenour, absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of November 1, 2005.
(Motion approving recommended.)
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Keating/Dunbar; unan; Hawn and Ridenour absent) approving the minutes of November 1, 2005.

CONSENT
Removed from Consent (Dunbar - no)
4. Consider the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20.
· Motion approving the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20 recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Keating/O'Bryant; majority; Dunbar no; Hawn and Ridenour absent) approved the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20.

CONSENT
5. Consider approving lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease.
· Resolution approving lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease recommended.
Community & Economic Development; Linda Boston, 209-571-5719, lboston@modestogov.com

ACTION: Resolution 2005-549 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease.

CONSENT
6. Consider waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District.
· Resolution waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District recommended.

Finance; Cheryl Detmar, 209-571-5174, cdetmar@modestogov.com

ACTION: Resolution 2005-550 (Keating/Dunbar; unan; Hawn and Ridenour absent) waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District.

CONSENT
7. Consider awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89.
· Resolution awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-551 (Keating/Dunbar; unan; Hawn and Ridenour absent) awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89.

CONSENT
8. Consider awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc. the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750.
· Resolution authorizing awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc as the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2005-552 (Keating/Dunbar; unan; Hawn and Ridenour absent) awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc as the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750.

CONSENT
9. Consider approving a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement.
· Resolution approving a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement recommended.
Fire; James Miguel; 209-572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-553 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement.

CONSENT
10. Consider authorizing the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park.
· Resolution authorizing the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park recommended.
· Resolution amending the FY 05-06 operating and Capital Improvement Program budget to: a) decrease appropriation to CIP project 1350-310-P503, New Parkland Acquisition, by $536,515, return to CFF Fund Reserve; b) transfer $536,515 from CFF fund to the Special Fund for Capital Outlay account 1350-700-M163 c) decrease account 1300-800-8000-8003, Special Fund for Capital Outlay by $500,000; and, d) increase CIP project 1300-310-M163, Neighborhood Center at Marshall Park, by $1,036,515 to fully fund the project recommended.
Parks, Recreation & Neighborhoods; Doug Critchfield, 209-577-5353, dcritchfield@modestogov.com

ACTION: Resolution 2005-554 (Keating/Dunbar; unan; Hawn and Ridenour absent) authorized the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park.

ACTION: Resolution 2005-555 (Keating/Dunbar; unan; Hawn and Ridenour absent) amending the FY 05-06 operating and Capital Improvement Program budget to: a) decrease appropriation to CIP project 1350-310-P503, New Parkland Acquisition, by $536,515, return to CFF Fund Reserve; b) transfer $536,515 from CFF fund to the Special Fund for Capital Outlay account 1350-700-M163 c) decrease account 1300-800-8000-8003, Special Fund for Capital Outlay by $500,000; and, d) increase CIP project 1300-310-M163, Neighborhood Center at Marshall Park, by $1,036,515 to fully fund the project.

CONSENT
11. Consider approving allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement.
· Resolution approving allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2005-556 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement.

CONSENT
12. Consider approving the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications."
· Resolution approving the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications," and authorizing the City Manager to execute the contract agreement recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-557 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications," and authorizing the City Manager to execute the contract agreement.

CONSENT
13. Consider increasing the Public Works Director's authority to issue change orders on the
"2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc. Total estimated cost of this project is $1,369,176.18, which includes construction contingency, construction administration and engineering design.
· Resolution increasing the Public Works Director's authority to issue change orders on the " 2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc recommended.
Public Works; Kris Ohlson, 577-5452; kohlson@modestogov.com

ACTION: Resolution 2005-558 (Keating/Dunbar; unan; Hawn and Ridenour absent) increased the Public Works Director's authority to issue change orders on the " 2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc.

CONSENT
14. Consider approval of final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdivider as required by Section 4?4.604(c) of the Municipal Code. (Owner: Centex Homes, A Nevada General Partnership).
· Resolution approving the final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the subdivision agreement.
Public Works; Bill Sandhu, 209-577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-559 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the subdivision.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

15. Consider a letter from Susan M. Evans regarding improvements within Modesto's transportation system.

ACTION: Ms. Evans was not present at the meeting.

UNFINISHED BUSINESS

The wording for this item was amended for Clerical Error.
16. Consider approving Del Valle Infrastructure Agreement & CIP Amendments.
· Resolution approving a Second Amendment to the Agreement to Construct Necessary Infrastructure between the City and Del Valle Capital Corporation to:
a) Authorize Final Inspection and Occupancy Permits for up to 58 additional homes in the Galas Brothers Unit No. 1 and Unit No. 2 subdivisions, and

b) Incorporate the terms and provisions of the Interim Water Improvements Agreement.
And authorize the City Manager, or his designee, to execute the Amendment recommended.
· Resolution approving an Amendment to the 2005-2006 Capital Improvement Program to increase the allocation to South Modesto Interim Water Improvements project, initially funded at $1.0 million, for a total estimated amount of $1.492 million, as specified in the Second Amendment to the Agreement to Construct Necessary Infrastructure and Attachments recommended.
· Resolution declaring that any future request of occupancy beyond 216 units from Del Valle Capital Corporation will be denied until the successful completion of the developer-provided well and required wellhead treatment facilities recommended.
· Motion introducing an Ordinance to Amend Chapter 3, Title 8 of the Modesto Municipal Code relating to City Contracts to extend the Contracting Authority of the City Manager for Public Works projects consisting of specified improvements to the water system in South Modesto, including authorization for contract approval of up to $2 million recommended.
Public Works; Rich Ulm, 209-577-5261, rulm@modestogov.com

ACTION: Resolution 2005-560 (Marsh/Dunbar; unan. Hawn and Ridenour absent) approved a Second Amendment to the Agreement to Construct Necessary Infrastructure between the City and Del Valle Capital Corporation to:
a) Authorize Final Inspection and Occupancy Permits for up to 58 additional homes in the Galas Brothers Unit No. 1 and Unit No. 2 subdivisions, and
b) Incorporate the terms and provisions of the Interim Water Improvements Agreement.
And authorize the City Manager, or his designee, to execute the Amendment

ACTION: Resolution 2005-561 (Marsh/Dunbar; unan. Hawn and Ridenour absent) approved an Amendment to the 2005-2006 Capital Improvement Program to increase the allocation to South Modesto Interim Water Improvements project, initially funded at $1.0 million, for a total estimated amount of $1.492 million, as specified in the Second Amendment to the Agreement to Construct Necessary Infrastructure and Attachments.

ACTION: By Motion (Marsh/Dunbar; unan. Hawn and Ridenour absent) **introduced Ordinance 3400-C.S.-**an ordinance amending Chapter 3, Title 8 of the Modesto Municipal Code relating to City Contracts to extend the Contracting Authority of the City Manager for Public Works projects consisting of specified improvements to the water system in South Modesto, including authorization for contract approval of up to $2 million.

ACTION: Staff was directed to enter into an agreement with West Yost at the expense of the developer for a capacity analysis of an additional 167 units. West Yost is to communicate regularly with the developer and City staff is to report progress to the City Council at each meeting.

HEARINGS

Published in the Modesto Bee on Saturday, 10/1/05; Continued from 10/25/05
Marsh absent due to conflict of interest
17. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10); and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1

recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-562 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10).

ACTION: Resolution 2005-563 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Published in the Modesto Bee on October 25, 2005
18. Hearing to consider the expenditure of the City of Modesto's 2005/2006 allocation of $299,591 from the State of California Supplemental Law Enforcement Services Fund, as recommended by the Chief of Police, for technology and communication equipment.
· Resolution approving the expenditure of the State of California Supplemental Law Enforcement Services Fund Grant Monies allocated to the City of Modesto in the 2005/2006 Fiscal Year recommended.
· Resolution amending the 2005/2006 fiscal year budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant recommended.
Police; Karen Rabb, Administrative Analyst, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-564 (O'Bryant/Marsh unan; Hawn and Ridenour absent) approved the expenditure of the State of California Supplemental Law Enforcement Services Fund Grant Monies allocated to the City of Modesto in the 2005/2006 Fiscal Year.

ACTION: Resolution 2005-565 (O'Bryant/Marsh unan; Hawn and Ridenour absent) amended the 2005/2006 fiscal year budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant.

NEW BUSINESS

Continued from 10/25/05
Marsh absent due to conflict of interest
19. Consider approving the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2).
· Resolution approving the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-566 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) approved the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2).

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 7:30 p.m.

CLOSED SESSION

None.

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 10

SPECIAL TAX ELECTION

November 9, 2005

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted by the City Council of the City of Modesto on September 13, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **John S. Rush**, certify as follows:

(1) I am the Authorized Representative of John S. Rush, an unmarried man, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 10 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-010 (the "Parcel"), which comprises approximately 1.3 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 11-1, 2005 at Modesto CALIFORNIA, _____.

Signature of Authorized Representative (Voter)

520 Bellwood Ln
Modesto Ca 95356

Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2005-563

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE NOVEMBER 9, 2005, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 10)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted on September 13, 2005, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2; and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2005-562, adopted on November 9, 2005, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for November 9, 2005, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on November 9, 2005, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2005-456 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a special meeting of the Council of the City of Modesto held on the 9th day of November 2005, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Jackman, Keating, Marsh, O'Bryant
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Hawn, Mayor Ridenour

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: _____
MICHAEL D. MILICH, City Attorney

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE DOCUMENT ON FILE WITH THIS OFFICE.
DATE 11/30/05
Jean Zahr
SIGNATURE
CITY CLERK
CITY OF MODESTO, CA

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2005-562, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 10) adopted on September 13, 2005, by the City Council of the City of Modesto, I did conduct the Special Tax Election on November 9, 2005, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2005-456, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 10)" adopted by the City Council of the City of Modesto on September 13, 2005, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 2 NO 0

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

Dated: Nov 15, 2005

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
SPECIAL CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Wednesday, November 9, 2005, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Jackman, Keating, Marsh, O'Bryant

Absent: Hawn, Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Pastor Mark Guerrero, Bethel Church

City Clerk's Announcements - Item 4 removed from Consent

Declaration of Conflicts of Interest - Marsh Item 17 and 19

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of David Rawe, Assistant Risk Manager, and Rosemary Carrancho, Employee Benefits Coordinator, by Robin Renwick, Personnel Director.

ACTION: Introductions made by Robin Renwick, Personnel Director.

2. Presentation by Stanislaus Partners in Education (SPIE) in recognition of the Modesto Police Department for youth and educational partnerships, and Modesto Police Department's receipt of SPIE's The Peter W. Johansen Award.

ACTION: Presentation made by Roy Wasden, Police Chief.

ORAL COMMUNICATIONS

None.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 14

ACTION Consent Items 3, 5 - 14: Keating/Dunbar; unan; Hawn and Ridenour absent

ACTION Consent Item 4: Keating/O'Bryant; majority; Dunbar, no; Hawn & Ridenour, absent

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of November 1, 2005.
(Motion approving recommended.)
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Keating/Dunbar; unan; Hawn and Ridenour absent) approving the minutes of November 1, 2005.

CONSENT
Removed from Consent (Dunbar - no)
4. Consider the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20.
· Motion approving the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20 recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Keating/O'Bryant; majority; Dunbar no; Hawn and Ridenour absent) approved the final adoption of Ordinance No. 3399-C.S. amending the Precise Plan for Area No. 20.

CONSENT
5. Consider approving lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease.
· Resolution approving lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease recommended.
Community & Economic Development; Linda Boston, 209-571-5719, lboston@modestogov.com

ACTION: Resolution 2005-549 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the lease with FMC Corporation for maintenance of five monitoring wells located on City-owned parcels and authorizing the City Manager to execute said Lease.

CONSENT
6. Consider waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District.
· Resolution waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District recommended.

Finance; Cheryl Detmar, 209-571-5174, cdetmar@modestogov.com

ACTION: Resolution 2005-550 (Keating/Dunbar; unan; Hawn and Ridenour absent) waiving penalties for Modesto Irrigation District Utility User's Tax payments of $58,871.52 for the month of October 2002 and $66,700.42 for the month of October 2003 in exchange for a waiver of $243,755.77, or a negotiated lesser amount, in late fees and penalties recently assessed to City of Modesto by Modesto Irrigation District.

CONSENT
7. Consider awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89.
· Resolution awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2005-551 (Keating/Dunbar; unan; Hawn and Ridenour absent) awarding the printing of Modesto Area Express (MAX) Ride Guides to San Dieguito Printers for an initial two-year period, with three one-year contract extension options for a total estimated annual cost of $36,090.89.

CONSENT
8. Consider awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc. the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750.
· Resolution authorizing awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc as the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2005-552 (Keating/Dunbar; unan; Hawn and Ridenour absent) awarding the furnishing of polygraph examination services for the Police Department, to Central Coast Polygraph, Inc as the "primary" contractor, with Dee Moody Polygraph & Investigations as the "secondary" contractor, for a two-year agreement, with three one-year extension options, at an estimated annual cost of $18,750.

CONSENT
9. Consider approving a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement.
· Resolution approving a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement recommended.
Fire; James Miguel; 209-572-9590, jmiguel@modestofire.com

ACTION: Resolution 2005-553 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved a contract with American Medical Response (AMR) wherein AMR compensates the City of Modesto $72,000.00 per year for first responder and related medical services performed by the Modesto Fire Department, and authorizing the City Manager to execute the agreement.

CONSENT
10. Consider authorizing the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park.
· Resolution authorizing the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park recommended.
· Resolution amending the FY 05-06 operating and Capital Improvement Program budget to: a) decrease appropriation to CIP project 1350-310-P503, New Parkland Acquisition, by $536,515, return to CFF Fund Reserve; b) transfer $536,515 from CFF fund to the Special Fund for Capital Outlay account 1350-700-M163 c) decrease account 1300-800-8000-8003, Special Fund for Capital Outlay by $500,000; and, d) increase CIP project 1300-310-M163, Neighborhood Center at Marshall Park, by $1,036,515 to fully fund the project recommended.
Parks, Recreation & Neighborhoods; Doug Critchfield, 209-577-5353, dcritchfield@modestogov.com

ACTION: Resolution 2005-554 (Keating/Dunbar; unan; Hawn and Ridenour absent) authorized the Acting Public Works Director to formally solicit Requests for Bids to provide construction of the Neighborhood Center at Marshall Park.

ACTION: Resolution 2005-555 (Keating/Dunbar; unan; Hawn and Ridenour absent) amending the FY 05-06 operating and Capital Improvement Program budget to: a) decrease appropriation to CIP project 1350-310-P503, New Parkland Acquisition, by $536,515, return to CFF Fund Reserve; b) transfer $536,515 from CFF fund to the Special Fund for Capital Outlay account 1350-700-M163 c) decrease account 1300-800-8000-8003, Special Fund for Capital Outlay by $500,000; and, d) increase CIP project 1300-310-M163, Neighborhood Center at Marshall Park, by $1,036,515 to fully fund the project.

CONSENT
11. Consider approving allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement.
· Resolution approving allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2005-556 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved allocation of Community Housing Development Organization (CHDO) Set-Aside Funds in the amount of $206,372 for Habitat for Humanity, Stanislaus and authorizing the City Manager to execute the agreement.

CONSENT
12. Consider approving the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications."
· Resolution approving the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications," and authorizing the City Manager to execute the contract agreement recommended.
Public Works; Jeffrey L. Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2005-557 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the plans and specifications, awarding the bid, and approving a $68,800 construction contract with Collins Electrical for the project entitled, "Briggsmore Avenue Streetlight Modifications," and authorizing the City Manager to execute the contract agreement.

CONSENT
13. Consider increasing the Public Works Director's authority to issue change orders on the
"2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc. Total estimated cost of this project is $1,369,176.18, which includes construction contingency, construction administration and engineering design.
· Resolution increasing the Public Works Director's authority to issue change orders on the " 2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc recommended.
Public Works; Kris Ohlson, 577-5452; kohlson@modestogov.com

ACTION: Resolution 2005-558 (Keating/Dunbar; unan; Hawn and Ridenour absent) increased the Public Works Director's authority to issue change orders on the " 2003/04 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from 10 percent ($99,325.65) to 15 percent ($148,988.48) of the original contract price with Top Grade Construction, Inc.

CONSENT
14. Consider approval of final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the subdivider as required by Section 4?4.604(c) of the Municipal Code. (Owner: Centex Homes, A Nevada General Partnership).
· Resolution approving the final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the subdivision agreement.
Public Works; Bill Sandhu, 209-577-5259, bsandhu@modestogov.com

ACTION: Resolution 2005-559 (Keating/Dunbar; unan; Hawn and Ridenour absent) approved the final map of Hacienda del Sol Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to execute the subdivision.

COUNCIL COMMENTS & REPORTS

None

WRITTEN COMMUNICATIONS

15. Consider a letter from Susan M. Evans regarding improvements within Modesto's transportation system.

ACTION: Ms. Evans was not present at the meeting.

UNFINISHED BUSINESS

The wording for this item was amended for Clerical Error.
16. Consider approving Del Valle Infrastructure Agreement & CIP Amendments.
· Resolution approving a Second Amendment to the Agreement to Construct Necessary Infrastructure between the City and Del Valle Capital Corporation to:
a) Authorize Final Inspection and Occupancy Permits for up to 58 additional homes in the Galas Brothers Unit No. 1 and Unit No. 2 subdivisions, and

b) Incorporate the terms and provisions of the Interim Water Improvements Agreement.
And authorize the City Manager, or his designee, to execute the Amendment recommended.
· Resolution approving an Amendment to the 2005-2006 Capital Improvement Program to increase the allocation to South Modesto Interim Water Improvements project, initially funded at $1.0 million, for a total estimated amount of $1.492 million, as specified in the Second Amendment to the Agreement to Construct Necessary Infrastructure and Attachments recommended.
· Resolution declaring that any future request of occupancy beyond 216 units from Del Valle Capital Corporation will be denied until the successful completion of the developer-provided well and required wellhead treatment facilities recommended.
· Motion introducing an Ordinance to Amend Chapter 3, Title 8 of the Modesto Municipal Code relating to City Contracts to extend the Contracting Authority of the City Manager for Public Works projects consisting of specified improvements to the water system in South Modesto, including authorization for contract approval of up to $2 million recommended.
Public Works; Rich Ulm, 209-577-5261, rulm@modestogov.com

ACTION: Resolution 2005-560 (Marsh/Dunbar; unan. Hawn and Ridenour absent) approved a Second Amendment to the Agreement to Construct Necessary Infrastructure between the City and Del Valle Capital Corporation to:
a) Authorize Final Inspection and Occupancy Permits for up to 58 additional homes in the Galas Brothers Unit No. 1 and Unit No. 2 subdivisions, and
b) Incorporate the terms and provisions of the Interim Water Improvements Agreement.
And authorize the City Manager, or his designee, to execute the Amendment

ACTION: Resolution 2005-561 (Marsh/Dunbar; unan. Hawn and Ridenour absent) approved an Amendment to the 2005-2006 Capital Improvement Program to increase the allocation to South Modesto Interim Water Improvements project, initially funded at $1.0 million, for a total estimated amount of $1.492 million, as specified in the Second Amendment to the Agreement to Construct Necessary Infrastructure and Attachments.

ACTION: By Motion (Marsh/Dunbar; unan. Hawn and Ridenour absent) **introduced Ordinance 3400-C.S.**-an ordinance amending Chapter 3, Title 8 of the Modesto Municipal Code relating to City Contracts to extend the Contracting Authority of the City Manager for Public Works projects consisting of specified improvements to the water system in South Modesto, including authorization for contract approval of up to $2 million.

ACTION: Staff was directed to enter into an agreement with West Yost at the expense of the developer for a capacity analysis of an additional 167 units. West Yost is to communicate regularly with the developer and City staff is to report progress to the City Council at each meeting.

HEARINGS

Published in the Modesto Bee on Saturday, 10/1/05; Continued from 10/25/05
Marsh absent due to conflict of interest
17. Hearing to consider calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10); and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1

recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-562 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 10).

ACTION: Resolution 2005-563 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Published in the Modesto Bee on October 25, 2005
18. Hearing to consider the expenditure of the City of Modesto's 2005/2006 allocation of $299,591 from the State of California Supplemental Law Enforcement Services Fund, as recommended by the Chief of Police, for technology and communication equipment.
· Resolution approving the expenditure of the State of California Supplemental Law Enforcement Services Fund Grant Monies allocated to the City of Modesto in the 2005/2006 Fiscal Year recommended.
· Resolution amending the 2005/2006 fiscal year budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant recommended.
Police; Karen Rabb, Administrative Analyst, 572-9523, rabbk@modestopd.com

ACTION: Resolution 2005-564 (O'Bryant/Marsh unan; Hawn and Ridenour absent) approved the expenditure of the State of California Supplemental Law Enforcement Services Fund Grant Monies allocated to the City of Modesto in the 2005/2006 Fiscal Year.

ACTION: Resolution 2005-565 (O'Bryant/Marsh unan; Hawn and Ridenour absent) amended the 2005/2006 fiscal year budget to appropriate revenues and expenses for the State of California Supplemental Law Enforcement Services Fund Grant.

NEW BUSINESS

Continued from 10/25/05
Marsh absent due to conflict of interest
19. Consider approving the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2).
· Resolution approving the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2) recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2005-566 (Dunbar/Keating; unan. Hawn, Marsh and Ridenour absent) approved the consolidation of boundary maps related to City of Modesto Community Facilities District No. 2004-1 (Village One #2).

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 7:30 p.m.

CLOSED SESSION

None.

RECD # 0001772170
December 16, 2005 16:36:5
Stanislaus County Recorder
Lee Lundrigan Co Recorder Office
Document #05-0229654-00
RECD BY
Free Issue
Total fee $0.00
Amount Tendered... $0.00
Change $0.00
OAW:R2/3

Recording requested by and
when recorded, please return to:

Jean Zahr, City Clerk
City of Modesto
P.O. Box 642
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 10)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on November 9, 2005. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 10), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 10), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-001-010	John S. Rush, an unmarried man

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 10 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on September 23, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 29, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: December 16, 2005

Jean Zahr

Jean Zahr
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 12-16-05 before me, E. Wright, Notary Public
[insert date] [Here insert name of notary]

personally appeared Jean Zahr

☒ personally known to me, or

☐ 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(~~ties~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

Signature E. Wright [Seal]

E. WRIGHT
Commission # 1397496
Notary Public - California
Stanislaus County
My Comm. Expires Feb 1, 2007

WAIVER OF LATE FILING
OF AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
FOR CITY OF MODESTO COMMUNITY FACILITIES
DISTRICT NO. 2004-1 (VILLAGE ONE #2)

TAX ZONE NO. 2

On April 6, 2004, by Resolution No. 2004-199, the City Council of the City of Modesto ("City Council") formed City of Modesto Community Facilities District No. 2004-1 (Village One #2) (the "Community Facilities District"). On December 14, 2004, by Resolution No. 2004-683, the City Council created Tax Zone #2 within the Community Facilities District.

On November 9, 2005, by Resolution No. 2005-563, the City Council called a landowner election within the territory shown on the map entitled "Annexation Map No. 10 of Community Facilities District No. 2004-1 (Village One #2)" ("Territory"), certified the results of such election, and ordered annexation of the Territory to the Community Facilities District. Pursuant to Section 3117.5 of the Streets and Highways Code of the State of California and Section 53339.8 of the Government Code of the State of California, the Community Facilities District is required to record in the Office of the County Recorder of the County of Stanislaus an Amendment to Notice of Special Tax Lien within 15 days of the certification of the results of the landowner election annexing the Territory to the Community Facilities District. Inadvertently, the Amendment to Notice of Special Tax Lien for the Territory was not recorded until December 16, 2005.

The undersigned, John S. Rush, an unmarried man, hereby: (a) certifies that at all times from November 9, 2005, and through and including the date hereof John S. Rush has been and is the sole owner of the Territory described above, (b) acknowledges the late recording of the Amendment to Notice of Special Tax Lien described above and (c) on behalf of himself and his successors, notwithstanding such late recording described above, waives any and all rights to bring any action, suit, proceeding, or inquiry which in any way seeks to challenge, overturn or contest the formation of the Community Facilities District, the annexation of the Territory to the Community Facilities District, the levy of Special Taxes in accordance with the Rate and Method of Apportionment of Special Taxes within the Territory or the attachment to the Territory of the lien of the Special Taxes.

The undersigned further certifies that he has read and understands this Waiver of Late Filing, that he has been encouraged and had the opportunity to seek legal counsel of his own choosing and to have the terms of this Waiver fully explained to him, that he is not executing this Waiver in reliance on any promises or representations other than those contained in this Waiver, and that he is executing this Waiver voluntarily, free of any duress or coercion.

Dated: January 12, 2006

John S Rush

JOHN S. RUSH, an unmarried man

ALL-PURPOSE ACKNOWLEDGEMENT

State of California
County of STANISLAUS } SS.

On JANUARY 12, 2006 (DATE) before me, LINDA C. KING (NOTARY),
personally appeared JOHN S. RUSH (SIGNER)

☐ personally known to me - OR - ☒ 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~~ signatures~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

LINDA C. KING
COMM. #1458689
NOTARY PUBLIC-CALIFORNIA
STANISLAUS COUNTY
My Comm. Expires Jan. 23, 2008
MPC2

WITNESS my hand and official seal.

Linda C. King
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

☐ INDIVIDUAL
☐ CORPORATE OFFICER
_____ TITLE
☐ PARTNER(S)
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

_____ TITLE OR TYPE OF DOCUMENT
_____ NUMBER OF PAGES
_____ DATE OF DOCUMENT
_____ OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
_____

RIGHT THUMBPRINT OF SIGNER
Top of thumbprint here

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-066

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 11)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2005-566, adopted on November 9, 2005, consolidate the map of the District and the map related to each annexation thereto, being Annexation Nos. 1 through 10, hereto recorded with the County Recorder, into a single map, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Consolidation of Boundary Maps of Community Facilities District No. 2004-1 (Village One #2)", on file with the County Recorder of the County of Stanislaus, Book 4 of Maps and Assessments and Community Facilities Districts, at Page 33.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 11 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk

shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, March 14, 2006, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in

writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 7th day of February 2006, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Marsh

ATTEST: _____
JEAN ZAHR, City Clerk

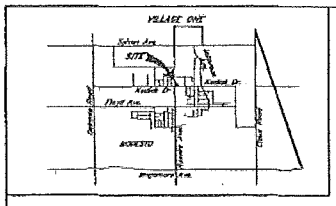
APPROVED AS TO FORM:

By: _____
RICHARD RUDNANSKY, Interim City Attorney

EXHIBIT A

ANNEXATION NO. 11 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map



VICINITY MAP

NOT TO SCALE

Filed this ____ day of _____, 2006, at the hour of ____ o'clock ___ m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 11 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2006, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 1337 and 2027 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 32 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

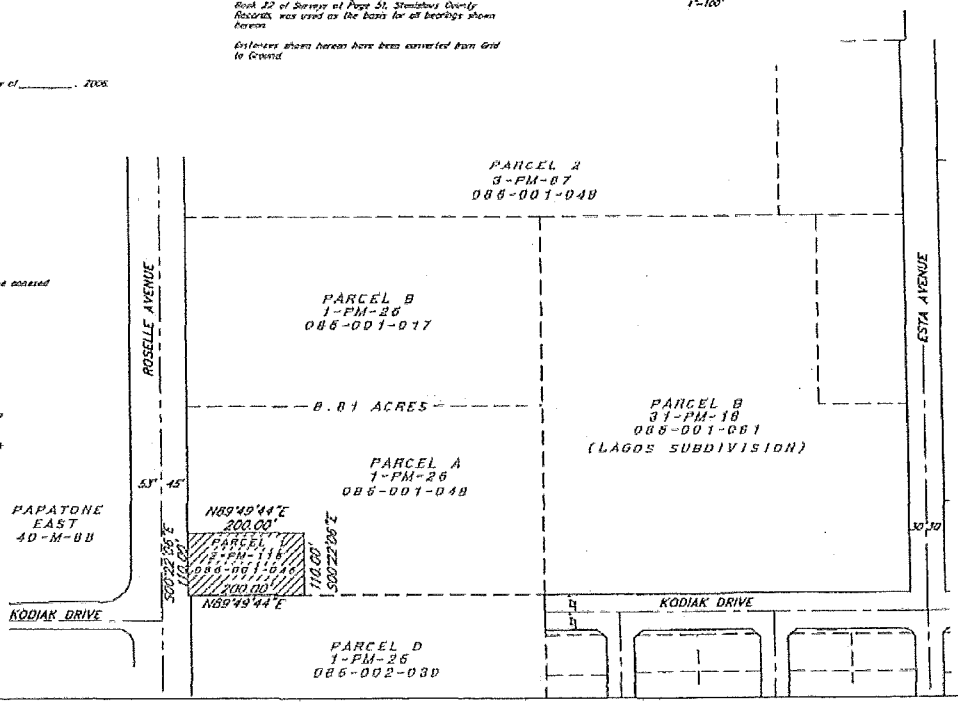
Distances shown hereon have been converted from Grid to Ground.

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2006.

JEAN ZAHR, City Clerk

By: _____

Print Name



= Property to be annexed

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the Consolidated Boundary Map for which was recorded on November 23, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 33, in Office of the County Recorder, of the County of Stanislaus, State of California.

JEAN ZAHR, City Clerk

By: _____

Print Name

SHEET 1. OF 1.

REVISIONS	DATE	BY

DWG. 11-27-06
Scale 1"=100'
Job No. 03226
Drawn CMF
Checked CMF
File

ANNEXATION MAP NO. 11 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

MOE
MOE, INC. CIVIL ENGINEERING
1111 McHENRY AVENUE, MODESTO, CA 95350-4800

City Clerk's Office

Minutes

City Council Chambers,
Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, February 7, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Reconciliation Month Representative Joe Williams

City Clerk's Announcements - Item 22 removed from the agenda

Declaration of Conflicts of Interest: Marsh - Items 4 and 14

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Proclamation proclaiming February 1, 2006 Reconciliation Day and the month of February, 2006 Reconciliation Month.

ACTION: Mayor Ridenour presented the proclamation.

2. Presentation by Liz Gimble, 2-1-1 Project Coordinator for United Way, regarding the 2-1-1 Information and Referral Call Center.

ACTION: Presentation made by Liz Gimble.

ORAL COMMUNICATIONS
Three minute time limit per speaker

· Dave Thomas requested Item 22 be placed back on the agenda.
· John Mataka spoke regarding the Public Works compost building construction and the use of the Labor Ready Agency.
· Vice Mayor O'Bryant responded to Mr. Mataka and explained that the Audit Committee recommendation will be forwarded to the Council.
· Carmen Sabatino commented on the sign at the State Theater and questioned if the permit has been approved.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 14

ACTION Consent Items 3, 5 - 13: Dunbar/Marsh; unan.

ACTION Item 4 & 14: Dunbar/Hawn; unan.; Marsh, absent due to conflict of interest

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of January 24, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Dunbar/Marsh; unan.) approving the minutes of January 24, 2006.

CONSENT
Councilmember Marsh conflict of interest
4. Consider the annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11).
· Resolution of intention to annex additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 11) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-066 (Dunbar/Hawn; unan. Marsh absent due to a conflict of interest) authorizing annexation of additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11).

CONSENT
5. Consider declaring the City's intent to reimburse Capital Program costs from future bond proceeds.
· Resolution declaring the City's intent to reimburse Capital Program costs from future bond proceeds recommended.
Finance; M. Wayne Padilla, 577-5369, wpadilla@modestogov.com

ACTION: Resolution 2006-067 (Dunbar/Marsh; unan.) declaring the City's intent to reimburse Capital Program costs from future bond proceeds.

CONSENT
6. Consider approving the monthly budget adjustments - January 2006
· Resolution approving FY2005 budget adjustments for January 2006 recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-068 (Dunbar/Marsh; unan) approving FY2005 budget adjustments for January 2006.

CONSENT
7. Consider authorizing the Purchasing Supervisor to formally solicit Request for Bids for the purchase of variable frequency drive (VFD) units for the Public Works Department, Water Division for a two-year agreement with three, one-year extension options, at an estimated annual cost of $90,000.
· Resolution authorizing the Purchasing Supervisor to formally solicit Request for Bids

for the purchase of variable frequency drive (VFD) units for the Public Works Department, Water Division for a two-year agreement with three, one-year extension options, at an estimated annual cost of $90,000 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2006-069 (Dunbar/Marsh; unan) authorizing the Purchasing Supervisor to formally solicit Request for Bids for the purchase of variable frequency drive (VFD) units for the Public Works Department, Water Division for a two-year agreement with three, one-year extension options, at an estimated annual cost of $90,000.

CONSENT
8. Consider authorizing the award of proposal and contract for the furnishing of forms printing and mailing services for the Finance Department, Customer Services Division to ABS Presort Inc, for a two-year agreement with three, one-year extension options, for an estimated annual cost of $144,083.
· Resolution authorizing the award of proposal and contract for the furnishing of forms printing and mailing services for the Finance Department, Customer Services Division to ABS Presort Inc., for a two-year agreement with three, one-year extension options, for an estimated annual cost of $144,083 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2006-070 (Dunbar/Marsh; unan.) authorizing the award of proposal and contract for the furnishing of forms printing and mailing services for the Finance Department, Customer Services Division to ABS Presort Inc., for a two-year agreement with three, one-year extension options, for an estimated annual cost of $144,083.

CONSENT
9. Consider authorizing the award of proposal and contract for the acquisition of ortho-rectified aerial photography services for the Information Technology Department to VARGIS, LLC, for a total estimated price of $96,441.
· Resolution authorizing the award of proposal and contract for the acquisition of ortho-rectified aerial photography services for the Information Technology Department to VARGIS, LLC, for a total estimated price of $96,441 recommended.
Information Technology; Robert Beckler, 571-5596 rbeckler@modestogov.com

ACTION: Resolution 2006-071 (Dunbar/Marsh; unan.) authorizing the award of proposal and contract for the acquisition of ortho-rectified aerial photography services for the Information Technology Department to VARGIS, LLC, for a total estimated price of $96,441.

CONSENT
10. Consider approving an application for $50,000 from the Stewardship Council Youth Investment Program 2005-06 to fund a part-time nursery worker and to improve the facilities at the City Nursery to serve the Tuolumne River Regional Park Project, and authorizing the City Manager to execute the grant application.
· Resolution approving an application for $50,000 from the Stewardship Council Youth Investment Program 2005-06 to fund a part-time nursery worker and to improve the facilities at the City Nursery to serve the Tuolumne River Regional Park Project, and authorizing the City Manager to execute the grant application recommended.
Parks, Recreation & Neighborhoods; Beverly Hatcher, 571-5582, bhatcher@modestogov.com

ACTION: Resolution 2006-072 (Dunbar/Marsh; unan.) approving an application for $50,000 from the Stewardship Council Youth Investment Program 2005-06 to fund a part-time nursery worker and to improve the facilities at the City Nursery to serve the Tuolumne River Regional Park Project, and authorizing the City Manager to execute the grant application.

CONSENT
11. Consider approving an Emergency Home Repair Program (EHRP) loan for Wilma Fae Bailey, secured by her home at 1525 Teresa Street, Modesto, in the amount of $98,272, and authorizing the City Manager to execute all related documents.
· Resolution approving an Emergency Home Repair Program (EHRP) loan for Wilma Fae Bailey, secured by her home at 1525 Teresa Street, Modesto, in the amount of $98,272, and authorizing the City Manager to execute all related documents recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5349, bkauss@modestogov.com

ACTION: Resolution 2006-073 (Dunbar/Marsh; unan.) approving an Emergency Home Repair Program (EHRP) loan for Wilma Fae Bailey, secured by her home at 1525 Teresa Street, Modesto, in the amount of $98,272, and authorizing the City Manager to execute all related documents.

CONSENT
12. Consider awarding contracts for On-call Electrical, Mechanical & Structural Engineering Services.
· Resolution awarding the contract to Miller-Pezzoni & Associates, Inc. (Miller-Pezzoni) for On-call Electrical Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement recommended.
· Resolution awarding the contract to Complere Engineering Group, Inc. (Complere) for On-call Mechanical Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement recommended.
· Resolution awarding the contract to Complere Engineering Group, Inc. (Complere) for On-call Structural Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-074 (Dunbar/Marsh; unan.) awarding the contract to Miller-Pezzoni & Associates, Inc. (Miller-Pezzoni) for On-call Electrical Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement.

ACTION: Resolution 2006-075 (Dunbar/Marsh; unan.) awarding the contract to Complere Engineering Group, Inc. (Complere) for On-call Mechanical Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement.

ACTION: Resolution 2006-076(Dunbar/Marsh; unan.) awarding the contract to Complere Engineering Group, Inc. (Complere) for On-call Structural Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three one-year extension options in an amount not-to-exceed $45,000 annually and authorizing the City Manager, or designee, to execute the agreement.

CONSENT

13. Consider approving the final map of Village Ranch Unit No. 2 Subdivision in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the Subdivider as required by Section 4?4.605(b) of the Municipal Code (Owner: Centex Homes, a Nevada General Partnership).
· Resolution approving the final map of Village Ranch Unit No. 2 Subdivision in the Village One Specific Plan Area of the City of Modesto and authorizing the City Manager to execute a subdivision agreement with Centex Homes, a Nevada General Partnership recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-077 (Dunbar/Marsh; unan.) approving the final map of Village Ranch Unit No. 2 Subdivision in the Village One Specific Plan Area of the City of Modesto and authorizing the City Manager to execute a subdivision agreement with Centex Homes, a Nevada General Partnership.

CONSENT
Councilmember Marsh conflict of interest
14. Consider approving the final map of Tarantella Estates in the Village One Specific Plan Area and authorizing the City Manager to sign an agreement with the Subdivider as required by Section 4?4.605(b) of the Municipal Code (Owner: Dave Uecker Construction, Inc., a California Corporation.).
· Resolution approving the final map of Tarantella Estates in the Village One Specific Plan Area of the City of Modesto and authorizing the City Manager to execute a subdivision agreement with Dave Uecker Construction, Inc., a California Corporation recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-078 (Dunbar/Hawn; unan. Marsh absent due to conflict of interest) approving the final map of Tarantella Estates in the Village One Specific Plan Area of the City of Modesto and authorizing the City Manager to execute a subdivision agreement with Dave Uecker Construction, Inc., a California Corporation.

COUNCIL COMMENTS & REPORTS

15. At the request of Vice Mayor O'Bryant, consider establishing a policy, which would require City Staff and the City Manager to provide information regarding certain issues to Council within a specific number of days from the time a change occurs. This information would include changes related to Request for Proposals, consultants, overages, and problems of a sizeable nature in City business and construction jobs.

ACTION: The Council will consider amending the items listed for the agenda to add a City Manager Report item.

16. Report by Mayor Ridenour regarding the United States Conference of Mayors' Meeting, January 25-27, 2006.

ACTION: Mayor Ridenour reported on his attendance at the United States Conference of Mayor's meeting.

UNFINISHED BUSINESS

Considered at the January 10, 2006 meeting
17. Consider approving the Second Amendment to the Agreement with Parsons Brinckerhoff Quade and Douglas, Inc., for design services in the amount of $354,802.00, contract total of $1,062,040.43, for additional work not included in the original agreement and for reimbursable expenses for the project titled "Modesto Transit Bus Maintenance Facility" and authorizing the City Manager to execute the

Second Amendment to the Agreement.
· Resolution approving the Second Amendment to the Agreement with Parsons Brinckerhoff Quade and Douglas, Inc., for design services in the amount of $354,802.00, contract total of $1,062,040.43, for additional work not included in the original agreement and for reimbursable expenses for the project titled "Modesto Transit Bus Maintenance Facility" and authorizing the City Manager to execute the Second Amendment to the Agreement recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Motion (Hawn/Olsen; Dunbar, Keating, Marsh, O'Bryant and Ridenour, no) to adopt a resolution approving the Second Amendment to the Agreement with Parsons Brinckerhoff Quade and Douglas, Inc. failed to carry.

HEARINGS

Published in the Modesto Bee on 1/18/06
18. Hearing to consider the Appeal Process of Public Convenience and Necessity.
· Resolution adopting policies and procedures for the Application of Public Convenience and Necessity, and rescinding Resolution Number 1996-84 recommended.
· Resolution implementing a fee schedule associated with the permit application and appeals process in relation to ABC Liquor Licenses, and renaming fee schedule and policy to application of Public Convenience and Necessity and rescinding Resolution No. 96-101 recommended.
Police; Roy Wasden; 342-9523, wasdenr@modestopd.com

ACTION: Resolution 2006-79 (Marsh/Hawn; unan.) adopting policies and procedures for the Application of Public Convenience and Necessity, and rescinding Resolution Number 1996-84.

ACTION: Resolution 2006-80 (Marsh/Hawn; unan.) implementing a fee schedule associated with the permit application and appeals process in relation to ABC Liquor Licenses, and renaming fee schedule and policy to application of Public Convenience and Necessity and rescinding Resolution No. 96-101.

Published in the Modesto Bee on 1/21/06
19. Hearing to consider the appeal of Charles Evins, on behalf of New Bethany Missionary Baptist Church to a Staff decision, which denied installation of angle parking on Sierra Drive.
· Resolution establishing angle parking on Sierra Drive along the New Bethany Missionary Baptist Church (NBMBC) frontage only, (not exceeding the westerly property limit) between Sixth Street and the alley at the west property edge of the NBMBC recommended.
Public Works; Firoz Vohra, 577-5429, fvohra@modestgov.com

ACTION: Resolution 2006-81 (Hawn/Marsh; unan.) establishing angle parking on Sierra Drive along the New Bethany Missionary Baptist Church (NBMBC) frontage only, (not exceeding the westerly property limit) between Sixth Street and the alley at the west property edge of the NBMBC. Staff was requested to review the parking options on the bridge including parking time limits, discuss the approval of the parking with Cal Trans, and to return with that information at the Council meeting of February 28.

Published in the Modesto Bee on 1/25/06
20. Hearing to consider the appeal filed by Charles Evins, on behalf of The New Bethany Missionary Baptist Church, regarding Capital Facilities Fees (CFF) for property at 315 6th Street.
· Resolution denying the appeal filed by Charles Evins, on behalf of The New Bethany Missionary Baptist Church, regarding Capital Facilities Fees (CFF) for property at 315 6th Street recommended..
City Manager's Office; Amy S. Gedney, 577-5211 agedney@modestogov.com

ACTION: Resolution 2006-82 (Marsh/Hawn; unan.) denying the appeal filed by

Charles Evins, on behalf of The New Bethany Missionary Baptist Church, regarding Capital Facilities Fees (CFF) for property at 315 6th Street.

NEW BUSINESS

21. Consider a request by Mayor Ridenour to review of the Water Rate Process.
· Motion approving the formation of a Water Rate Review Committee, reporting to the Audit Committee and City Council recommended.
· Motion approving the designation of the Interim City Attorney as the Committee Chair with Mr. Pinhey, Public Works Director, and Mr. Padilla, Finance Director, as committee members recommended.

ACTION: By Motion (Dunbar/Marsh; unan.) directed the Interim City Attorney to review the matter and to return to the Council with a recommendation on how to proceed with the review process.

22. Consider approving the issuance of a 30-day Intent to Terminate letter and the termination of the agreement with Foresight Consulting.
· Resolution approving the issuance of a 30-day intent to terminate letter and the termination of the agreement with Foresight Consulting.
Finance; Wayne Padilla, 577-5369, wpadilla@modestogov.com

ACTION: Removed from the agenda.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

This meeting adjourned at 9:40 p.m. to the Public Employee Performance Evaluation closed session item.

CLOSED SESSION

Heard prior to the Council meeting.
CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: One Case.

Heard after the Council meeting.
PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager

No Reportable Action. The City Council intends to continue to evaluate the performance of the City Manager.

CFD

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

MARCH 4, 2006

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

MARCH 4, 2006

Cynthia Ortega
(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING

ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED

ANNEXATION NO.11

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on February 7, 2006, adopt its Resolution No.2006-066 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of one parcel identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No. 085-001-045. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2006-066. The time and place for the hearing is Tuesday, March 14, 2006 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing. At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2006-066. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209) 577-5211.

Dated: February , 2006
Jean Zahr
City Clerk
March 4, 2006

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 11 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 11.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

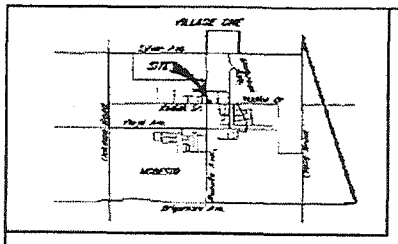
By: Doug Harms

2/16, 2006
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 11

Assessor's Parcel Number	Owner's Names	Owner's Addresses
085-001-045	Burkshire Estates, LLC, a California Limited Liability Company	C/O Peter Branagh 402 Railroad Ave., Ste. 201 Danville, CA 94526



VICINITY MAP

NOT TO SCALE

FILED this ____day of _____, 2006, at the hour of ___o'clock ___m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____, in the Office of the County Recorder of the County of Stanislaus, State of California.

LIZ LUSDEN, County Recorder of the County of Stanislaus, State of California

By: _____

Print name

I hereby certify that this map showing the proposed annexation of Annexation No. 11 of Community Facilities District No. 2004-1 (Village One JPA), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____day of _____, 2006, by its Resolution No. _____

JEAN ZAHR, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

BASIS OF BEARINGS

The bearing of N 00°13'03" W between GPS monuments 2521 and 2621 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 33 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from grid to ground.

Filed in the Office of the City Clerk of the City of Modesto this ____day of _____, 2006

JEAN ZAHR, City Clerk

By: _____

Print Name

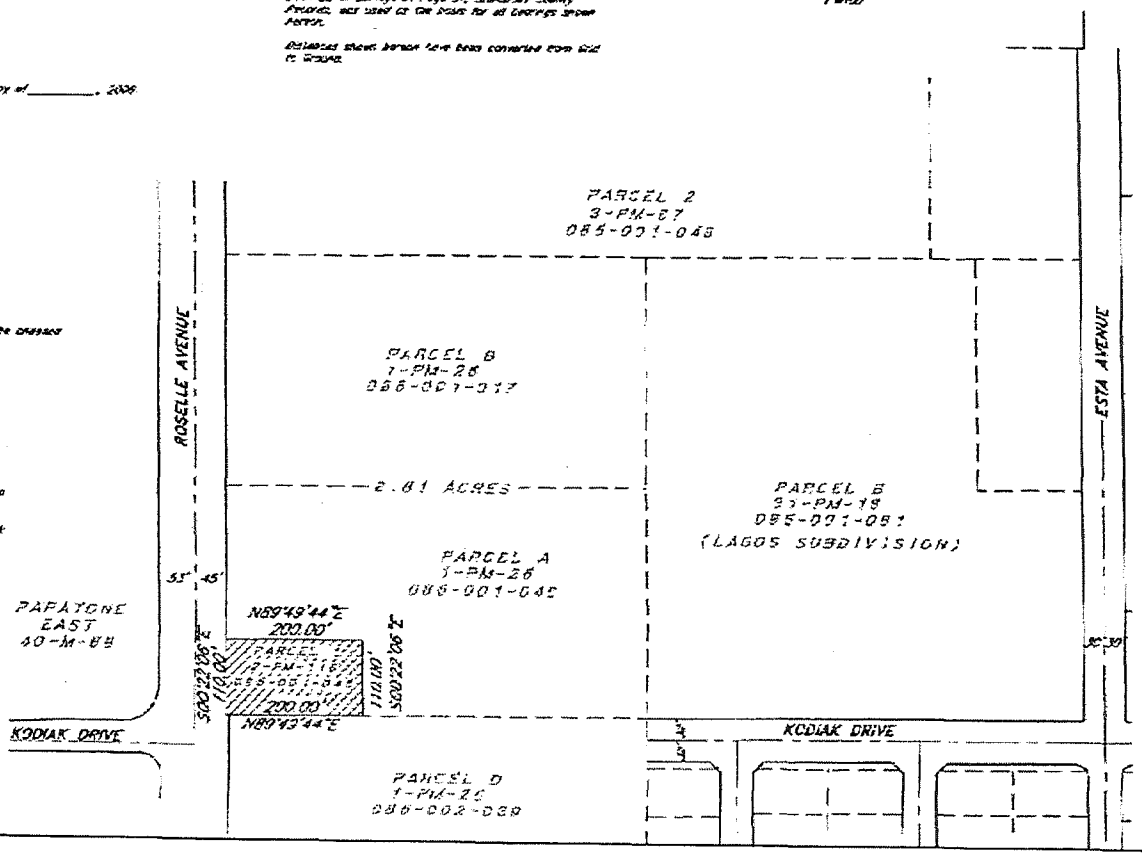
= Property to be annexed

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 "Village One JPA" City of Modesto, County of Stanislaus, State of California, the Consolidated Boundary Map for which was recorded on November 3, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 32, in Office of the County Recorder, of the County of Stanislaus, State of California.

JEAN ZAHR, City Clerk

By: _____

Print Name



ANNEXATION MAP NO. 11 OF
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE JPA)
CITY OF MODESTO
COUNTY OF STANISLAUS
STATE OF CALIFORNIA

MAE
Mary Anne Engineering

DRAWN		
CHECKED		
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JOB NO.	05558	
SHEET	1 OF 1	

Stanislaus County
Striving to be the Best

OFFICE OF COUNTY CLERK-RECORDER

LEE LUNDRIGAN
Clerk-Recorder

Clerk: PO Box 1670, Modesto, CA 95353
Phone: 209.525.5250
Recorder: PO Box 1008, Modesto, CA 95353
Phone: 209.525.5260

CERTIFICATE OF REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 11 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On February 21, 2006, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are 2 persons registered to vote on APN 085-001-045 within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan

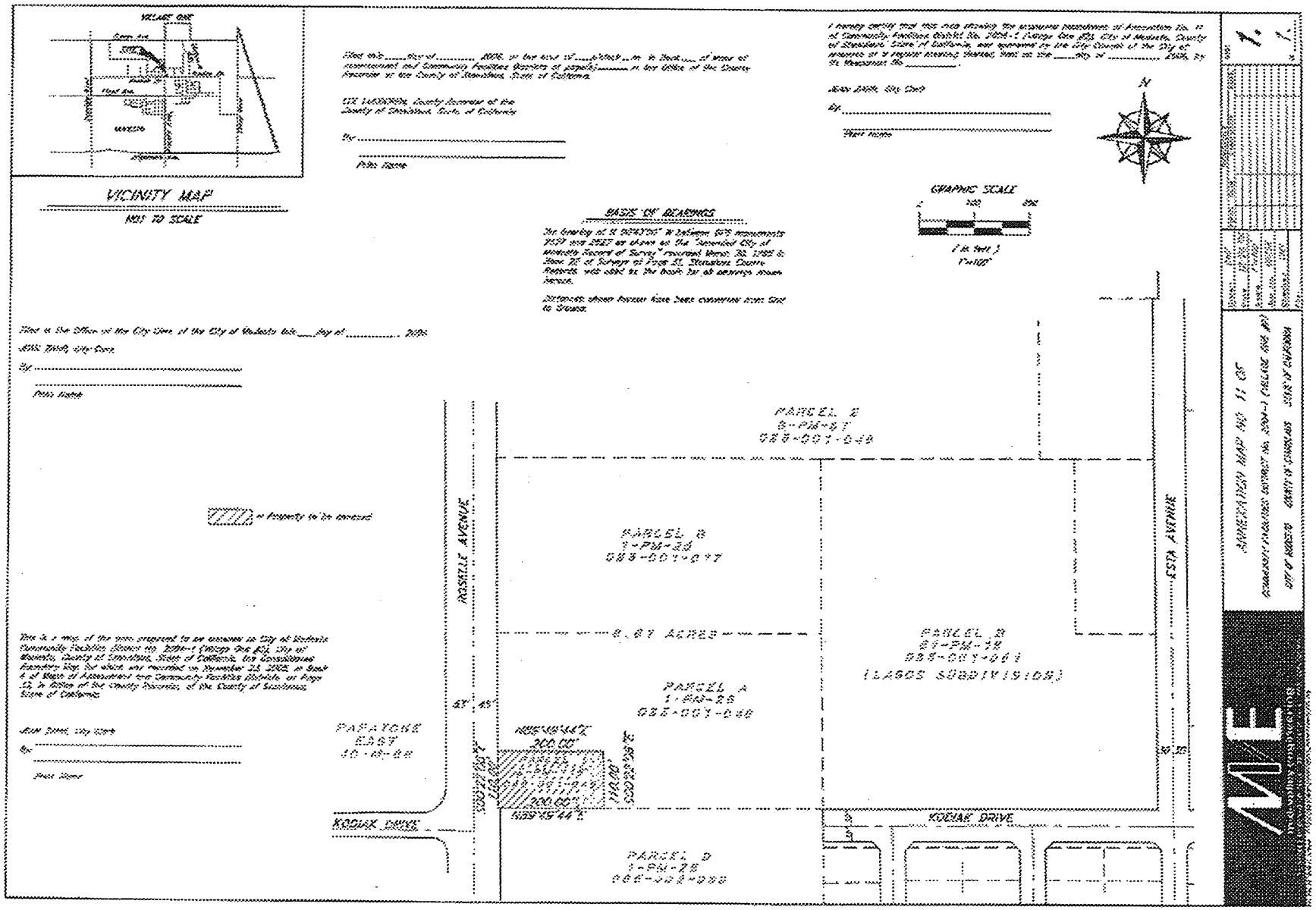
Lee Lundrigan

February 27, 2006
Date of Execution

Modesto, California
Place of Execution

EXHIBIT A

ANNEXATION NO. 11 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



Burkshire Estates, LLC, A California Limited Liability Company

A.P. No. 085-001-045

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 11

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number **085-001-045** (the "Property") being land proposed to be annexed, as Annexation No. 11, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-066 (the "Resolution of Intention to Annex"), adopted on February 7, 2006. The land proposed to be annexed to the District as Annexation No. 11 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Burkshire Estates, LLC.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. __ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate John Lagos as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 1717 Kruger Drive, Modesto CA 95355.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 2/22, 2006

LANDOWNER: Burkshire Estates, LLC, A California Limited Liability Company

By: [signature]

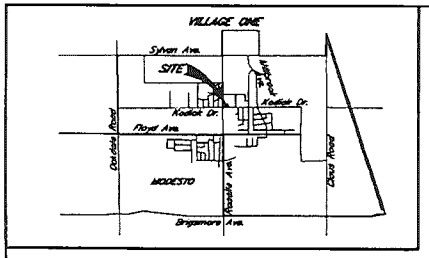
By: [signature]

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

EXHIBIT A

ANNEXATION NO. 11 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



VICINITY MAP

NOT TO SCALE

Filed this ____ day of _____, 2006, at the hour of ____ o'clock ____ m. in Book ____ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 11 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2006, by its Resolution No. _____.

JEAN ZAHR, City Clerk

By: _____

Print Name

N

GRAPHIC SCALE

0 100 200

(in feet)
1"=100'

BASIS OF BEARINGS

The bearing of N 00°43'00" W between GPS monuments 2527 and 2627 as shown on the "Amended City of Modesto Record of Survey" recorded March 30, 1995 in Book 22 of Surveys at Page 51, Stanislaus County Records, was used as the basis for all bearings shown hereon.

Distances shown hereon have been converted from Grid to Ground.

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 2006.

JEAN ZAHR, City Clerk

By: _____

Print Name

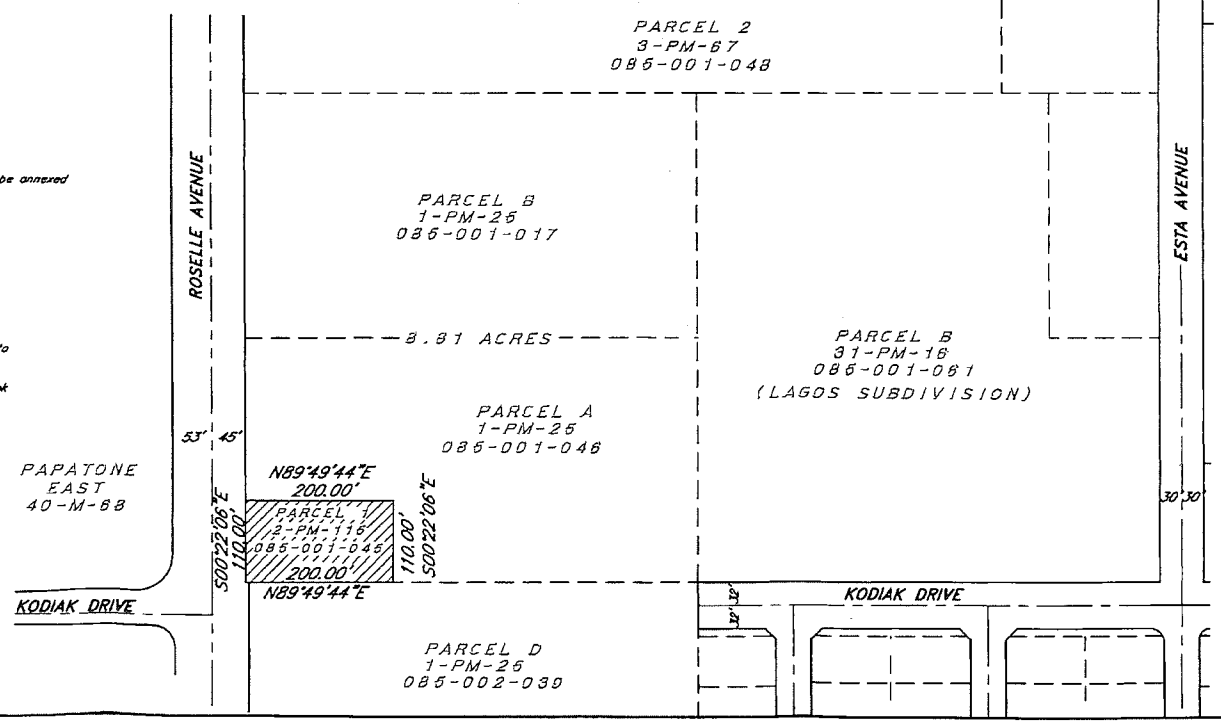
= Property to be annexed

This is a map of the area proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the Consolidated Boundary Map for which was recorded on November 23, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 11 in Office of the County Recorder, of the County of Stanislaus, State of California.

JEAN ZAHR, City Clerk

By: _____

Print Name



REVISIONS			
Symb.	Date	Description	Appd.

SHEET 1. OF 1.

Drawn DHJ
Date 12/21/05
Scale 1"=100'
Job No. 05258
Checked CHH
File

ANNEXATION MAP NO. 11 OF

COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO COUNTY OF STANISLAUS STATE OF CALIFORNIA

MBE

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 11

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Morris, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2006-066, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 11)," adopted by the City Council of the City of Modesto on February 7, 2006, I am the designated election official to conduct the special election described in that Resolution.

3. On March 1, 2006, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 11. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN MORRIS, CITY CLERK

Signature: Jean Morris

Date of Execution: March 1, 2006

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 11

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Burkshire Estates, LLC, A California Limited Liability Company	John Lagos 1717 Kruger Drive Modesto, CA 95355	1	100%

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-152

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 11)

WHEREAS, this Council did, on February 7, 2006, adopt its Resolution No. 2006-066 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1; and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 11 of Community Facilities District No. 2004-1 ("Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on February 9, 2006, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 36; and

WHEREAS, at the time and date set for the hearing (March 14, 2006) pursuant to the Resolution of Intention to Annex, this Council held the public hearing on Tuesday, March 14, 2006, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the

Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 14th day of March 2006. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is noon, Pacific Time. If all qualified electors have voted prior to such time, the election shall be closed.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter, order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681) and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th of March 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Mayor Ridenour

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

APPROVED AS TO FORM:

By: _____
RICHARD RUDNANSKY, ~~Interim~~ City Attorney

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 11

SPECIAL TAX ELECTION

March 14, 2006

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-066, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 11)" adopted by the City Council of the City of Modesto on February 7, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

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Basement Level
Tenth Street Place, 1010
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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, March 14, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen

Absent: Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Wayne Bridegroom, Central Baptist

City Clerk's Announcements: Item 9 removed from Agenda.
Item 12 requested to be continued to April 4, 2006.

Declaration of Conflicts of Interest: Hawn - Item 10

MISCELLANEOUS
Appointments

1. Consider approving the Planning Commission's recommended appointments of Planning Commission Representatives to the Board of Zoning Adjustment, Citizens Housing & Community Development Committee and the Citizens Redevelopment Advisory Commission.
· Resolution appointing Tom Berglund as the Planning Commission Representative to the Board of Zoning Adjustment recommended.
· Resolution appointing John Sanders as the Planning Commission Representative to the Citizen's Housing & Community Development Committee recommended.
· Resolution appointing Kent Newswander as the Planning Commission Representative to the Citizen's Redevelopment Commission recommended.

ACTION: Resolution 2006-140 (Keating/Marsh; unan.; Ridenour, absent) appointing Tom Berglund as the Planning Commission Representative to the Board of Zoning Adjustment.

ACTION: Resolution 2006-141 (Keating/Marsh; unan.; Ridenour, absent) appointing John Sanders as the Planning Commission Representative to the Citizen's Housing & Community Development Committee.

ACTION: Resolution 2006-142 (Keating/Marsh; unan.; Ridenour, absent) appointing Kent Newswander as the Planning Commission Representative to the Citizen's Redevelopment Commission.

ORAL COMMUNICATIONS

Dale Gene Williams requested the CERT program be placed on the Safety and Communities Committee agenda.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 8

ACTION Consent Items 2- 8: Dunbar/Marsh; unan.; Ridenour, absent

Consent Item 9 removed from the agenda

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of March 7, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Dunbar/Marsh: unan.; Ridenour, absent) approving the minutes of the regular City Council meeting of March 7, 2006.

CONSENT
3. Consider acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006.
· Motion acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Marsh: unan.; Ridenour, absent) acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006.

CONSENT
4. Consider accepting the Monthly Budget Adjustments for February 2006.
· Resolution approving FY06 budget adjustments for February 2006
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-143 (Dunbar/Marsh: unan.; Ridenour, absent) approving FY06 budget adjustments for February 2006.

CONSENT
5. Consider authorizing the award of bid and contract for fourteen new, current year/model trucks to various vendors. The total approximate purchase amount for the fourteen new, current year/model trucks is $267,265.57.
· Resolution authorizing the award of bid and contract for fourteen new, current year/model trucks to the following vendors recommended:
o Melrose Ford for one ¾ ton, regular cab, 4WD, long bed pickup; one ½-ton, crew

cab, mid size, 2WD pickup; two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $85,282.59;
o American Chevrolet. for one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, extended cab, 2WD, short bed pickup in the approximate total amount of $39,879.68;
o Coalinga Motors Inc. for two ¾-ton, regular cab, long bed, 2WD pickups; one ¾-ton, crew cab, 2WD, long bed pickup; one ½-ton, extended cab, full size, short bed, 2WD pickup; one ½-ton, regular cab, full size, 2WD pickup; one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, regular cab, full size, 2WD pickup in the approximate total amount of $142,103.30.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-144 (Dunbar/Marsh: unan.; Ridenour, absent) authorizing the award of bid and contract for fourteen new, current year/model trucks to the following vendors:
o Melrose Ford for one ¾ ton, regular cab, 4WD, long bed pickup; one ½-ton, crew cab, mid size, 2WD pickup; two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $85,282.59;
o American Chevrolet. for one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, extended cab, 2WD, short bed pickup in the approximate total amount of $39,879.68;
o Coalinga Motors Inc. for two ¾-ton, regular cab, long bed, 2WD pickups; one ¾-ton, crew cab, 2WD, long bed pickup; one ½-ton, extended cab, full size, short bed, 2WD pickup; one ½-ton, regular cab, full size, 2WD pickup; one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, regular cab, full size, 2WD pickup in the approximate total amount of $142,103.30.

CONSENT
6. Consider authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for the purpose of implementing the Microsoft Platform Migration.
· Resolution authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for an initial 5-year commitment recommended.
· Resolution amending the FY 05/06 operating budget to appropriate $330,000 from the IT Reserve Fund to the CIP to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup and yearly reoccurring costs of $160,000 for an initial 5-year commitment recommended.
Information Technology; Dave Truax, 571-5522, dtruax@modestogov.com

ACTION: Resolution 2006-145 (Dunbar/Marsh: unan.; Ridenour, absent) authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for an initial 5-year commitment.

ACTION: Resolution 2006-146 (Dunbar/Marsh: unan.; Ridenour, absent) amending the FY 05/06 operating budget to appropriate $330,000 from the IT Reserve Fund to the CIP to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total

estimated cost of $330,000 for startup and yearly reoccurring costs of $160,000 for an initial 5-year commitment.

CONSENT
7. Consider approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007.
· Resolution approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007 recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-147 (Dunbar/Marsh: unan.; Ridenour, absent) approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007.

CONSENT
8. Consent approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement.
· Resolution approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Resolution 2006-148 (Dunbar/Marsh: unan.; Ridenour, absent) approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement.

Removed from Agenda
9. Consider approving the plans and specifications for the "Construct Flush Line for Well 63 at Mildred Perkins Park Project", accepting the bid and approving a $102,437.00 contract with Richard Townsend Construction Inc., for the project titled, "Construct Flush Line for Well 63 at Mildred Perkins Park Project," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $136,300.00, which includes construction contingency, construction administration, and engineering design.
· Resolution approving the plans and specifications for the "Construct Flush Line for Well 63 at Mildred Perkins Park Project", accepting the bid and approving a $102,437.00 contract with Richard Townsend Construction Inc., for the project titled, "Construct Flush Line for Well 63 at Mildred Perkins Park Project," and authorizing the City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Removed from the agenda.

COUNCIL COMMENTS & REPORTS

Vice Mayor O'Bryant reported that he and Councilmember Olsen are working on the mobile home rent control issue.

UNFINISHED BUSINESS

Hawn absent due to conflict
10. Consider approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $2,315,947, which includes property acquisition, structure demolition, construction contingency, construction administration, and engineering design.
· Resolution approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract recommended.
· Resolution certifying a Mitigated Negative Declaration (SCH #2005092032) for the Rose/Celeste Sewer Lift Station Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document recommended.
· Resolution increasing the Rose/Celeste Sewer Lift Station Budget by $1,289,141 by moving $1,289,141 from Wastewater Contingency to fully fund the Rose/Celeste Sewer Lift Station Project recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Resolution 2006-149 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract.

ACTION: Resolution 2006-150 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) certifying a Mitigated Negative Declaration (SCH #2005092032) for the Rose/Celeste Sewer Lift Station Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document.

ACTION: Resolution 2006-151 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) increasing the Rose/Celeste Sewer Lift Station Budget by $1,289,141 by moving $1,289,141 from Wastewater Contingency to fully fund the Rose/Celeste Sewer Lift Station Project.

HEARINGS

Published in the Modesto Bee 3/4/06
11. Hearing to consider the annexation of territory to the Community Facilities District No. 2004-1 (Village One #2) and the levy of special taxes within the territory proposed to be annexed (Annexation No. 11)
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-152 (Hawn/Dunbar; unan.; Ridenour, absent) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11).

ACTION: Resolution 2006-153 (Hawn/Dunbar; unan.; Ridenour, absent) canvassing the results of the special election and ordering the annexation of the additional

territory to Community Facilities District No. 2004-1.

Recommended to be continued to 4/4/06
Published in the Modesto Bee 3/4/06
12. Hearing to consider 1) increasing the Outdoor Dining Permit application fee from $40 to $200, 2) implementing an annual renewal fee of $100, 3) establishing an additional fee for areas larger than 400 square feet at $3 per square foot per year and 4) add a $250 removal deposit to cover the cost to remove the barrier in the event the business closes.
· Motion introducing Ordinance amending Outdoor Dining Ordinance No.3054-C.S to include additional fees recommended.
Finance; Bill Sandhu, 342-4712, bsandhu@modestogov.com

ACTION: By Motion (Marsh/Olsen; unan.; Ridenour, absent) continued to April 4, 2006.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 5:55 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employees Association (MCEA)

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

AUTHORIZATION
(BALLOT NO. 1)

06 MAR 13 AM 1:42

I, **John Lagos**, certify as follows:

(1) I am the Authorized Representative of Burkshire Estates, LLC, A California Limited Liability Company, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 11 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number 085-001-045 (the "Parcel"), which comprises approximately 0.505 acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 3/13/06, 2006 at City Clerk's office Modesto, Calif., _____.

John Lagos
Signature of Authorized Representative (Voter)

_____

_____

_____

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 11

SPECIAL TAX ELECTION

March 14, 2006

100% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST: 1
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-066, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 11)" adopted by the City Council of the City of Modesto on February 7, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☑

NO ☐

BALLOT NO. 1

100% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF 1 VOTE

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-153

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE MARCH 14, 2006, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 11)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2006-066, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 11)" adopted on February 7, 2006, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District; and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2; and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2006-?, adopted on March 14, 2006, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for March 14, 2006, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on March 14, 2006, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owners of the territory proposed to be annexed is as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

CERTIFICATE OF CITY CLERK

I, JEAN ZAHR, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2006-153, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 11) adopted on February 7, 2006, by the City Council of the City of Modesto, I did conduct the Special Tax Election on March 14, 2006, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-066, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 11)" adopted by the City Council of the City of Modesto on February 7, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES ___ NO ___

_____
Jean Zahr
City Clerk of the City of Modesto

Dated: _____, 2006

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2006-066 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 14th day of March 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Mayor Ridenour

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

APPROVED AS TO FORM:

By: Richard Rudnansky
RICHARD RUDNANSKY, Interim City Attorney

City Clerk's Office

Minutes

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, March 14, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen

Absent: Mayor Ridenour

Pledge of Allegiance to the Flag

Invocation: Wayne Bridegroom, Central Baptist

City Clerk's Announcements: Item 9 removed from Agenda.
Item 12 requested to be continued to April 4, 2006.

Declaration of Conflicts of Interest: Hawn - Item 10

MISCELLANEOUS
Appointments

1. Consider approving the Planning Commission's recommended appointments of Planning Commission Representatives to the Board of Zoning Adjustment, Citizens Housing & Community Development Committee and the Citizens Redevelopment Advisory Commission.
· Resolution appointing Tom Berglund as the Planning Commission Representative to the Board of Zoning Adjustment recommended.
· Resolution appointing John Sanders as the Planning Commission Representative to the Citizen's Housing & Community Development Committee recommended.
· Resolution appointing Kent Newswander as the Planning Commission Representative to the Citizen's Redevelopment Commission recommended.

ACTION: Resolution 2006-140 (Keating/Marsh; unan.; Ridenour, absent) appointing Tom Berglund as the Planning Commission Representative to the Board of Zoning Adjustment.

ACTION: Resolution 2006-141 (Keating/Marsh; unan.; Ridenour, absent) appointing John Sanders as the Planning Commission Representative to the Citizen's Housing & Community Development Committee.

ACTION: Resolution 2006-142 (Keating/Marsh; unan.; Ridenour, absent) appointing Kent Newswander as the Planning Commission Representative to the Citizen's Redevelopment Commission.

ORAL COMMUNICATIONS

Dale Gene Williams requested the CERT program be placed on the Safety and Communities Committee agenda.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 2 through 8

ACTION Consent Items 2- 8: Dunbar/Marsh; unan.; Ridenour, absent

Consent Item 9 removed from the agenda

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
2. Consider approval of the minutes of the regular City Council meeting of March 7, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Dunbar/Marsh: unan.; Ridenour, absent) approving the minutes of the regular City Council meeting of March 7, 2006.

CONSENT
3. Consider acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006.
· Motion acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006 recommended.
City Manager's Office; Amy Gedney, 577-5211, agedney@modestogov.com

ACTION: By Motion (Dunbar/Marsh: unan.; Ridenour, absent) acknowledging receipt of notification of the Annual Inflationary Adjustment for Capital Facilities Fees (CFF) effective July 1, 2006.

CONSENT
4. Consider accepting the Monthly Budget Adjustments for February 2006.
· Resolution approving FY06 budget adjustments for February 2006
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-143 (Dunbar/Marsh: unan.; Ridenour, absent) approving FY06 budget adjustments for February 2006.

CONSENT
5. Consider authorizing the award of bid and contract for fourteen new, current year/model trucks to various vendors. The total approximate purchase amount for the fourteen new, current year/model trucks is $267,265.57.
· Resolution authorizing the award of bid and contract for fourteen new, current year/model trucks to the following vendors recommended:
o Melrose Ford for one ¾ ton, regular cab, 4WD, long bed pickup; one ½-ton, crew

cab, mid size, 2WD pickup; two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $85,282.59;
o American Chevrolet. for one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, extended cab, 2WD, short bed pickup in the approximate total amount of $39,879.68;
o Coalinga Motors Inc. for two ¾-ton, regular cab, long bed, 2WD pickups; one ¾-ton, crew cab, 2WD, long bed pickup; one ½-ton, extended cab, full size, short bed, 2WD pickup; one ½-ton, regular cab, full size, 2WD pickup; one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, regular cab, full size, 2WD pickup in the approximate total amount of $142,103.30.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-144 (Dunbar/Marsh: unan.; Ridenour, absent) authorizing the award of bid and contract for fourteen new, current year/model trucks to the following vendors:
o Melrose Ford for one ¾ ton, regular cab, 4WD, long bed pickup; one ½-ton, crew cab, mid size, 2WD pickup; two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $85,282.59;
o American Chevrolet. for one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, extended cab, 2WD, short bed pickup in the approximate total amount of $39,879.68;
o Coalinga Motors Inc. for two ¾-ton, regular cab, long bed, 2WD pickups; one ¾-ton, crew cab, 2WD, long bed pickup; one ½-ton, extended cab, full size, short bed, 2WD pickup; one ½-ton, regular cab, full size, 2WD pickup; one ½-ton, extended cab, full size, 2WD, short bed pickup and one ½-ton, regular cab, full size, 2WD pickup in the approximate total amount of $142,103.30.

CONSENT
6. Consider authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for the purpose of implementing the Microsoft Platform Migration.
· Resolution authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for an initial 5-year commitment recommended.
· Resolution amending the FY 05/06 operating budget to appropriate $330,000 from the IT Reserve Fund to the CIP to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup and yearly reoccurring costs of $160,000 for an initial 5-year commitment recommended.
Information Technology; Dave Truax, 571-5522, dtruax@modestogov.com

ACTION: Resolution 2006-145 (Dunbar/Marsh: unan.; Ridenour, absent) authorizing the Purchasing Manager to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total estimated cost of $330,000 for startup, and yearly reoccurring costs of $160,000 for an initial 5-year commitment.

ACTION: Resolution 2006-146 (Dunbar/Marsh: unan.; Ridenour, absent) amending the FY 05/06 operating budget to appropriate $330,000 from the IT Reserve Fund to the CIP to purchase computer equipment, software, licenses and professional services from Dell Corporation under the State of California, Department of General Services and the Western States Contracting Alliance (WSCA) Contract for a total

estimated cost of $330,000 for startup and yearly reoccurring costs of $160,000 for an initial 5-year commitment.

CONSENT
7. Consider approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007.
· Resolution approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007 recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-147 (Dunbar/Marsh: unan.; Ridenour, absent) approving the timeline for development of the Annual Action Plan, and the Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Public Service Grants, for Fiscal Year 2006-2007.

CONSENT
8. Consent approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement.
· Resolution approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Resolution 2006-148 (Dunbar/Marsh: unan.; Ridenour, absent) approving an agreement with Pacific Design Associates, Inc., in the amount of $5,000.00, for Consultant Services to assist the City in attaining the maximum amount of insurance settlement funds for the restaurant building at 1029 9th Street that was destroyed by fire, and authorizing the City Manager to execute the agreement.

Removed from Agenda
9. Consider approving the plans and specifications for the "Construct Flush Line for Well 63 at Mildred Perkins Park Project", accepting the bid and approving a $102,437.00 contract with Richard Townsend Construction Inc., for the project titled, "Construct Flush Line for Well 63 at Mildred Perkins Park Project," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $136,300.00, which includes construction contingency, construction administration, and engineering design.
· Resolution approving the plans and specifications for the "Construct Flush Line for Well 63 at Mildred Perkins Park Project", accepting the bid and approving a $102,437.00 contract with Richard Townsend Construction Inc., for the project titled, "Construct Flush Line for Well 63 at Mildred Perkins Park Project," and authorizing the City Manager to execute the contract recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Removed from the agenda.

COUNCIL COMMENTS & REPORTS

Vice Mayor O'Bryant reported that he and Councilmember Olsen are working on the mobile home rent control issue.

UNFINISHED BUSINESS

Hawn absent due to conflict
10. Consider approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $2,315,947, which includes property acquisition, structure demolition, construction contingency, construction administration, and engineering design.
· Resolution approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract recommended.
· Resolution certifying a Mitigated Negative Declaration (SCH #2005092032) for the Rose/Celeste Sewer Lift Station Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document recommended.
· Resolution increasing the Rose/Celeste Sewer Lift Station Budget by $1,289,141 by moving $1,289,141 from Wastewater Contingency to fully fund the Rose/Celeste Sewer Lift Station Project recommended.
Public Works; Dean Phillips, 577-5260; dphillips@modestogov.com

ACTION: Resolution 2006-149 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) approving the plans and specifications for the Rose/Celeste Sewer Lift Station Project, accepting the bid and approving a $1,505,875.00 contract with Preston Pipelines, Inc., for the project titled, "Rose/Celeste Sewer Lift Station Project," and authorizing the City Manager to execute the contract.

ACTION: Resolution 2006-150 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) certifying a Mitigated Negative Declaration (SCH #2005092032) for the Rose/Celeste Sewer Lift Station Project and adopting a finding that the City Council has reviewed and considered and made findings regarding the CEQA Environmental Review document.

ACTION: Resolution 2006-151 (Dunbar/Keating; unan.; Hawn and Ridenour, absent) increasing the Rose/Celeste Sewer Lift Station Budget by $1,289,141 by moving $1,289,141 from Wastewater Contingency to fully fund the Rose/Celeste Sewer Lift Station Project.

HEARINGS

Published in the Modesto Bee 3/4/06
11. Hearing to consider the annexation of territory to the Community Facilities District No. 2004-1 (Village One #2) and the levy of special taxes within the territory proposed to be annexed (Annexation No. 11)
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-152 (Hawn/Dunbar; unan.; Ridenour, absent) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 11).

ACTION: Resolution 2006-153 (Hawn/Dunbar; unan.; Ridenour, absent) canvassing the results of the special election and ordering the annexation of the additional

territory to Community Facilities District No. 2004-1.

Recommended to be continued to 4/4/06
Published in the Modesto Bee 3/4/06
12. Hearing to consider 1) increasing the Outdoor Dining Permit application fee from $40 to $200, 2) implementing an annual renewal fee of $100, 3) establishing an additional fee for areas larger than 400 square feet at $3 per square foot per year and 4) add a $250 removal deposit to cover the cost to remove the barrier in the event the business closes.
· Motion introducing Ordinance amending Outdoor Dining Ordinance No.3054-C.S to include additional fees recommended.
Finance; Bill Sandhu, 342-4712, bsandhu@modestogov.com

ACTION: By Motion (Marsh/Olsen; unan.; Ridenour, absent) continued to April 4, 2006.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 5:55 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employees Association (MCEA)

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential and Management Association (MCMA)

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2006-0042203-00
Tuesday, MAR 21, 2006 16:09:05
Ttl Pd $0.00 Nbr-0002042399
BJE/R2/1-3

Recording requested by and
when recorded, please return to:

Jean Morris, City Clerk
City of Modesto
P.O. Box 642
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 11)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on March 14, 2006. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay auth-

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 11), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 11), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-001-045	Burkshire Estates, LLC, a California Limited Liability Company

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 11 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on February 9, 2006, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 36, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: March 15, 2006

Jean Morris

Jean Morris
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 3/15/06 before me, Esther Puckett
[Insert date] [Here insert name of notary]

personally appeared Jean Morris

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Seal]

ESTHER PUCKETT
Comm. #1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-228

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 12)

WHEREAS, pursuant to Chapter 3.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Chapter 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) ("the District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, pursuant to California Streets and Highways Code Section 3113.5, this Council did, by its Resolution No. 2005-566, adopted on November 9, 2005, direct that all prior modifications, amendments and annexations to the District be consolidated into a single map of the District, specifically all prior boundary maps and amendments thereto related to formation of the District and Annexation Nos. 1 through 10 to the District, and

WHEREAS, On November 23, 2005, said boundary maps were consolidated into a single map entitled "Consolidation of Boundary Maps of Community Facilities District No. 2004-1 (Village One #2)" and recorded with the County Recorder of the County of Stanislaus at Book 4 of Maps of Assessments and Communities Facilities Districts, at Page 33, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The boundaries of the District are shown on a map entitled "Consolidation of Boundary Maps of Community Facilities District No. 2004-1 (Village One #2)", on file with the County Recorder of the County of Stanislaus, at Book 4 of Maps of Assessments of Community Facilities Districts, at Page 33, and the map entitled

"Annexation Map No. 11 of Community Facilities District No. 2004-1 (Village One #2)" on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 36.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in Exhibit A.

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 12 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of

the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, June 13, 2006, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25th day of April 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

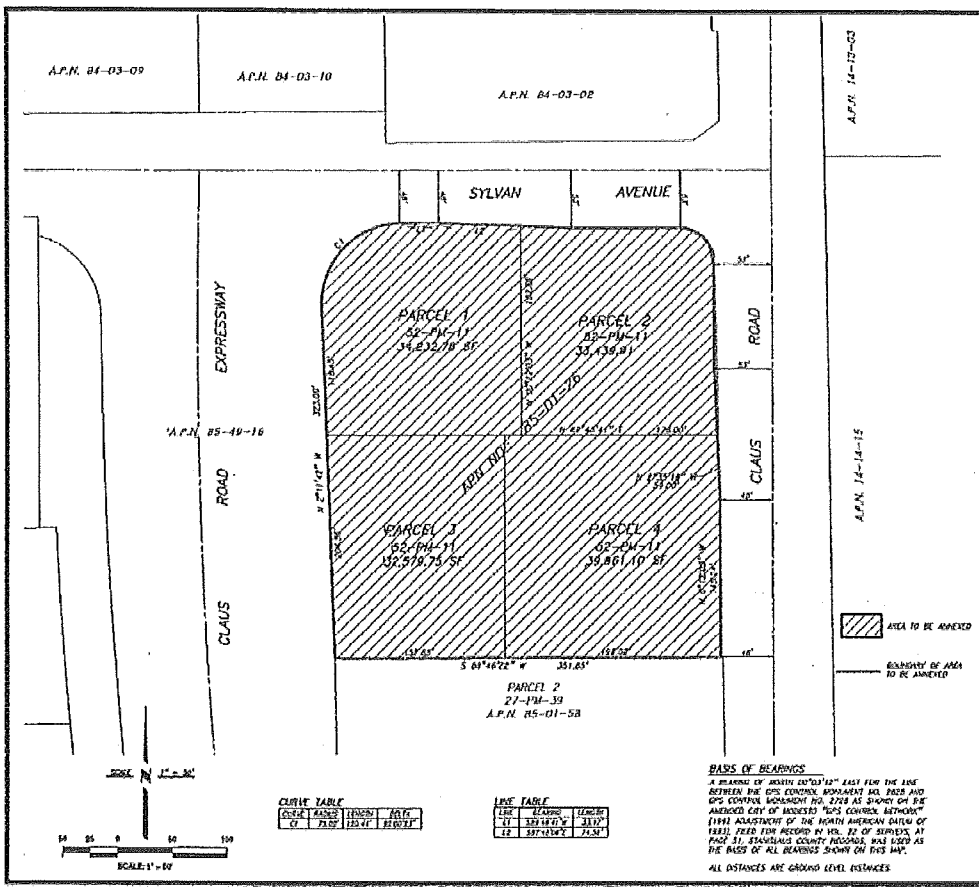
APPROVED AS TO FORM:

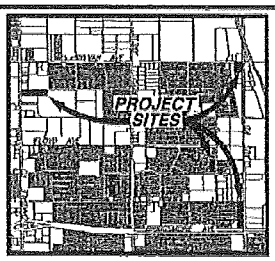
By: _____
RICHARD RUDNANSKY, Interim City Attorney

EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map





VICINITY MAP

ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA. THE CONSOLIDATED BOUNDARY MAP FOR WHICH WAS RECORDED ON NOVEMBER 23, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 33, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP OF ANNEXATION NO. 11 TO THE DISTRICT WAS RECORDED ON FEBRUARY 8, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 36, IN THAT OFFICE.

JEAN MORRIS, CITY CLERK

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2006.

JEAN MORRIS, CITY CLERK

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2006, BY ITS RESOLUTION NO. _____.

JEAN MORRIS, CITY CLERK

FILED THIS _____ DAY OF _____, 2006, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

LEE LUNDGREN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA
C1	75.00'	120.41'	92°00'33"

LINE TABLE

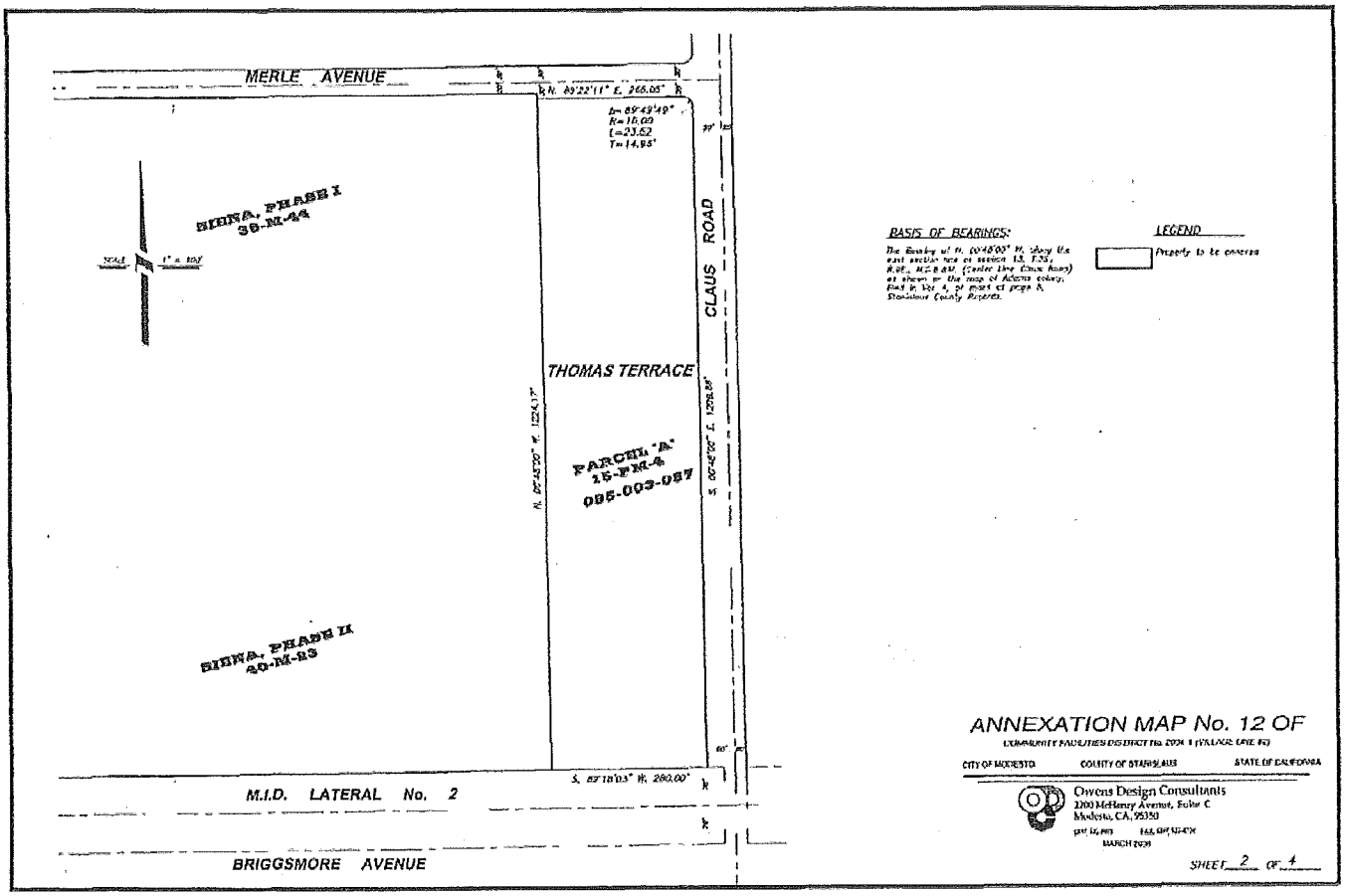
LINE	BEARING	LENGTH
L1	S89°18'01"W	33.13'
L2	S87°43'04"E	74.50'

BASIS OF BEARINGS

A BEARING OF NORTH 00°03'12" EAST FOR THE LINE BETWEEN THE GPS CONTROL MONUMENT NO. 2928 AND GPS CONTROL MONUMENT NO. 2928 AS SHOWN ON THE AMENDED CITY OF MODESTO "GPS CONTROL NETWORK" (1991 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983), FILED FOR RECORD IN VOL. 32 OF SURVEYS, AT PAGE 31, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS OF ALL BEARINGS SHOWN ON THIS MAP.

ALL DISTANCES ARE GROUND LEVEL DISTANCES

SHEET 1 OF 4


MERLE AVENUE
N. 89°22'11" E. 265.05'
Δ= 89°49'49"
R= 16.00
L=25.62
T=14.95'
SIENA, PHASE I
39-M-44
SCALE 1" = 100'
CLAUS ROAD
THOMAS TERRACE
N. 00°48'00" W. 1324.17'
S. 00°48'00" E. 1276.85'
PARCEL 'A'
15-PM-4
095-003-087
SIENA, PHASE II
40-M-83
S. 89°18'03" W. 280.00'
M.I.D. LATERAL No. 2
BRIGGSMORE AVENUE
BASIS OF BEARINGS:
The Bearing of N. 00°48'00" W. along the east section line of section 13, T.5S., R.9E., M.D.B.&M. (Center line Claus Road) as shown on the map of Adams colony, Book 9, Vol. 4, pg map 43 page 8, Stanislaus County Records.
LEGEND
Property to be annexed
ANNEXATION MAP No. 12 OF
COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO
COUNTY OF STANISLAUS
STATE OF CALIFORNIA
Owens Design Consultants
2200 McHenry Avenue, Suite C
Modesto, CA. 95350
MARCH 2004
SHEET 2 OF 4

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

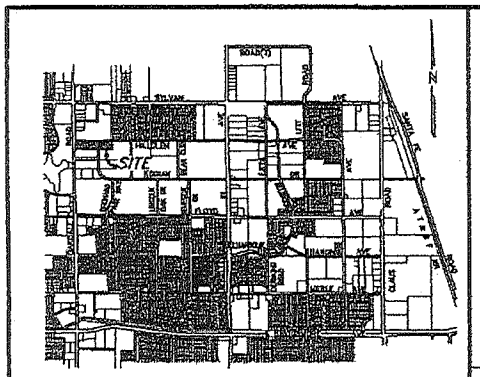
PREPARED BY:

DELAMARE-FULTZ

ENGINEERING AND SURVEYING

3421 TULLY ROAD SUITE J MODESTO, CA. 95350

TELEPHONE (209) 529-7450



VICINITY MAP

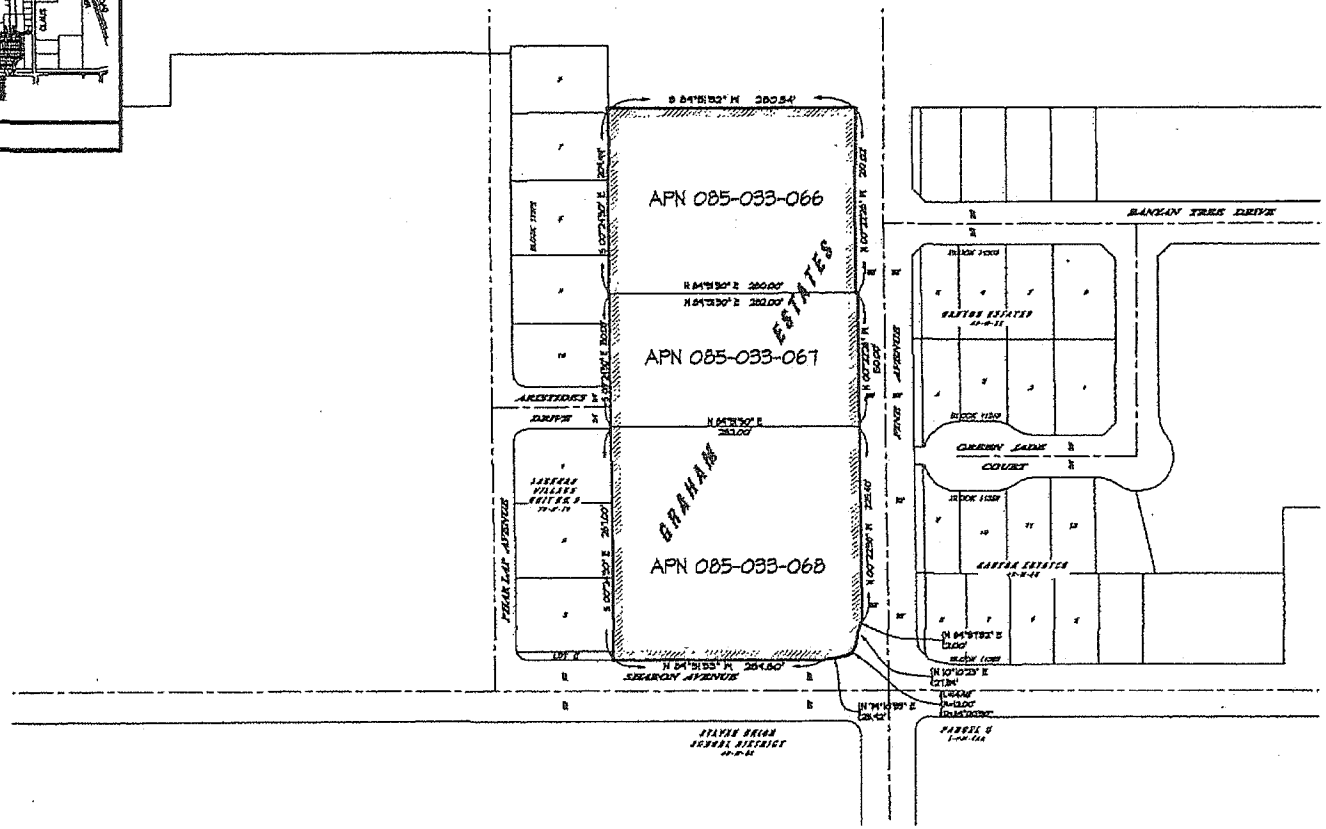
(NO SCALE)

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE: 1" = 50'

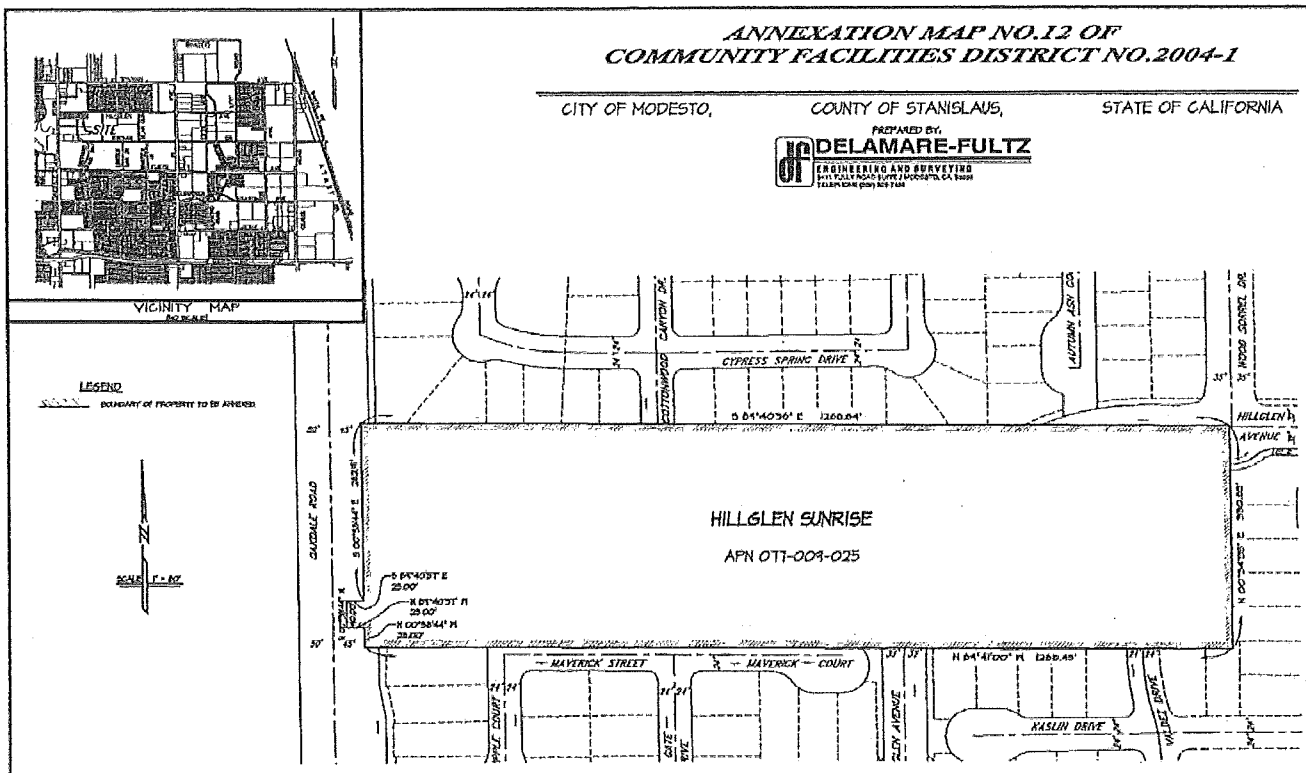


SHEET 3 OF 4 SHEETS

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING



SHEET 4 OF 4 SHEETS

City Clerk's Office

Minutes

City Council Chambers,
Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, April 25, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Bob Irwin, Mill Creek Church

City Clerk's Announcements: Items 16, 22, 24, and 28 removed from Consent Items 41 and 42 (hearings) continued

Declaration of Conflicts of Interest - Hawn - Item 42

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of a Proclamation declaring April 23-29, 2006 as National Crime Victims' Rights Week

ACTION: Proclamation presented by Mayor Ridenour.

2. Presentation of Proclamation declaring April 23-29, 2006 as Youth Temperance Education Week.

ACTION: Proclamation presented by Mayor Ridenour.

3. Presentation of the Modesto City-County Airport 2005 Annual Report by Art deWerk, Airport Advisory Committee Chair.

ACTION: Presentation made by Art de Werk Airport Advisory Committee Chair.

ORAL COMMUNICATIONS

· Dave Simon Brinks Home Security spoke in opposition to verified alarm response.

· Greg Gamelli HSM Security spoke in opposition to a verified alarm policy.

· Pete Fitch Protection Alarm spoke in opposition to a verified alarm policy.

· Matt Hoffman Hoffman Security spoke in opposition to a verified alarm policy.

· John Sargent California Alarm Association spoke in opposition to a verified alarm policy.

· Dana Buck Bay Alarm Company spoke in opposition to a verified alarm policy.

o Chief Wasden and Lieutenant Watts reviewed the Police Department's policy regarding alarms and confirmed that this item will be on the May 9, 2006 Council agenda.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 -15, 17 - 21, 23, 25-27, 29-37

ACTION Consent Items 4-15, 17-21, 23, 25-27, 29- 37 - Hawn/Keating; unan.

ACTION Consent: 16 - Ridenour/Marsh; unan.

ACTION Consent: 22 - Marsh/Hawn; unan.

ACTION Consent: 24 - Marsh/Dunbar; unan.

ACTION Consent: 28 -Olsen/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of April 4, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) approving the minutes of April 4, 2006.

CONSENT
5. Consider approving the final adoption of Ordinance No. 3407 -C.S. amending Outdoor Dining Ordinance No.3054-C.S to include additional fees.
· Motion approving final adoption recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) approved the **final adoption of Ordinance No. 3407 -C.S.** amending Outdoor Dining Ordinance No.3054-C.S to include additional fees.

CONSENT
6. Consider amending resolution 2006-087 to authorize the seven Charter Review Committee members appointed by the City Council to appoint four additional committee members from the community and approving the four appointees selected by the current members of the Charter Review Committee.
· Resolution amending resolution 2006-087 to authorize the seven Charter Review Committee members appointed by the City Council to appoint four additional

committee members from the community and approving the four appointees selected by the current members of the Charter Review Committee recommended.
City Council Office; Mayor Jim Ridenour, 571-5169, mayor@modestogov.com

ACTION: Resolution 2006-225 (Hawn/Keating; unan.) amending resolution 2006-087 to authorize the seven Charter Review Committee members appointed by the City Council to appoint four additional committee members from the community and approving the four appointees selected by the current members of the Charter Review Committee.

CONSENT
7. Consider accepting the resignation of Tammy Spillers from the Community Housing and Community Development Committee (CH&CDC) and the Housing Rehabilitation Loan Committee (HRLC).
· Resolution accepting with regret the letter of resignation from Tammy Spillers.
City Manager's Office; Esther Puckett, 571-5101, epuckett@modestogov.com

ACTION: Resolution 2006-226 (Hawn/Keating; unan) accepting with regret the letter of resignation from Tammy Spillers.

CONSENT
8. Consider accepting the resignation of David Lopez from the Community Qualities Forum.
· Resolution accepting with regret the letter of resignation from David Lopez.
City Manager's Office; Esther Puckett, 571-5101, epuckett@modestogov.com

ACTION: Resolution 2006-227 (Hawn/Keating; unan) accepting with regret the letter of resignation from David Lopez.

CONSENT
9. Consider Annexation of Additional Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12).
· Resolution of intention to annex additional territory ("additional territory") to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("CFD No. 2004-1" recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-228 (Hawn/Keating; unan) of intention to annex additional territory ("additional territory") to City of Modesto Community Facilities District No. 2004-1 (Village One #2) ("CFD No. 2004-1".

CONSENT
10. Consider approving a CFD Tax Reimbursement Agreement between the City of Modesto and Peter and Charlene Reece, Joseph and Sheryl Pimentel, and Stephen and Kathleen Hughes (collectively "Owner").
· Resolution approving a CFD Tax Reimbursement Agreement between the City of Modesto and Peter and Charlene Reece, Joseph and Sheryl Pimentel, and Stephen and Kathleen Hughes (collectively "Owner") and authorizing the City Manager to execute said Agreement recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-229 (Hawn/Keating; unan) approving a CFD Tax Reimbursement Agreement between the City of Modesto and Peter and Charlene Reece, Joseph and Sheryl Pimentel, and Stephen and Kathleen Hughes (collectively "Owner") and authorizing the City Manager to execute said Agreement.

CONSENT

11. Consider approving the extension of the banking agreement with Bank of the West until August 1, 2007.
· Resolution approving the extension of the banking agreement with Bank of the West until August 1, 2007 recommended.
Finance; Wayne Padilla 577-5369, wpadilla@modestogov.com

ACTION: Resolution 2006-230 (Hawn/Keating; unan) approving the extension of the banking agreement with Bank of the West until August 1, 2007.

CONSENT
12. Consider approving the Monthly Budget Adjustments - April 2006
· Resolution approving budget adjustments for April 2006.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-231 (Hawn/Keating; unan) approving budget adjustments for April 2006.

CONSENT
13. Consider amending original award of bid to Melrose Ford for five vehicles and restating the resolution to authorize the award of bid and contract for five new, current year/model trucks to the following vendors:
o American Chevrolet for one ¾-ton, regular cab, 4WD, long bed pickup and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $43,117.59;
o Coalinga Motors Inc. for two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $48,279.02.
The approximate total amount for all five new, current year/model trucks is $91,396.61.
· Resolution amending original award of bid to Melrose Ford for five vehicles and restating the resolution to authorize the award of bid and contract for five new, current year/model trucks to the following vendors:
o American Chevrolet, Modesto, CA. for one ¾-ton, regular cab, 4WD, long bed pickup and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $43,117.59;
o Coalinga Motors Inc. of Coalinga, CA. for two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $48,279.02 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-232 (Hawn/Keating; unan) amending original award of bid to Melrose Ford for five vehicles and restating the resolution to authorize the award of bid and contract for five new, current year/model trucks to the following vendors:
o American Chevrolet, Modesto, CA. for one ¾-ton, regular cab, 4WD, long bed pickup and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $43,117.59;
o Coalinga Motors Inc. of Coalinga, CA. for two ½-ton, extended cab, mid-size 2WD pickups and one ½-ton, crew cab, mid size, 2WD pickup in the approximate total amount of $48,279.02.

CONSENT
14. Consider authorizing the award of bid and contract for traffic signal hardware for an initial one-year period, with a one-year contract extension purchase option to the following vendors:
o Traffic Parts, Inc. in the approximate total annual amount of $2,680.08;
o Western Pacific Signal, LLC. in the approximate total annual amount of $60,017.26;
o Jam Services in the approximate total annual amount of $7,316.53.
The approximate total annual amount for traffic signal hardware is $70,013.87.
· Resolution authorizing the award of bid and contract for traffic signal hardware for an initial one-year period, with a one-year contract extension purchase option to the

following vendors:
o Traffic Parts, Inc. in the approximate total annual amount of $2,680.08;
o Western Pacific Signal, LLC. in the approximate total annual amount of $60,017.26;
o Jam Services in the approximate total annual amount of $7,316.53 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-233 (Hawn/Keating; unan) authorizing the award of bid and contract for traffic signal hardware for an initial one-year period, with a one-year contract extension purchase option to the following vendors:
o Traffic Parts, Inc. in the approximate total annual amount of $2,680.08;
o Western Pacific Signal, LLC. in the approximate total annual amount of $60,017.26;
o Jam Services in the approximate total annual amount of $7,316.53.

CONSENT
15. Consider authorizing the City Manager to apply for National Assistance to Firefighter's Grant Program funding in the amount of $229,373 and to execute the necessary grant application documents.
· Resolution authorizing the City Manager to apply for National Assistance to Firefighter's Grant Program funding in the amount of $229,373 and to execute the necessary grant application documents recommended.
Fire; James Miguel, 572-9590, jmiguel@modestofire.com

ACTION: Resolution 2006-234 (Hawn/Keating; unan) authorizing the City Manager to apply for National Assistance to Firefighter's Grant Program funding in the amount of $229,373 and to execute the necessary grant application documents.

REMOVED FROM CONSENT
16. Consider approving the formation of a Solid Waste Advisory Committee and directing staff to proceed with the recruitment of citizen representatives to serve on the Committee.
· Resolution approving the formation of a Solid Waste Advisory Committee and directing staff to proceed with the recruitment of citizen representatives to serve on the Committee.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5494, jreed@modestogov.com

ACTION: Resolution 2006-235 (Ridenour/Marsh; unan.) approving the formation of a Solid Waste Advisory Committee and directing staff to proceed with the recruitment of citizen representatives to serve on the Committee. Included in the motion, staff was requested to eliminate the Economic Development Committee review and to bring the issue directly to the Council. Staff was also directed to honor the current confidentiality provision in the existing waste contracts.

CONSENT
17. Consider approving an increase in the pay ranges of vital part-time employees in the Parks, Recreation and Neighborhoods Department by 7.5% and holding the Parks, Recreation and Neighborhoods Department budget harmless from increases to these part-time salary classifications.
· Resolution approving an increase in the pay ranges of vital part-time employees in the Parks, Recreation and Neighborhoods Department by 7.5% and holding the Parks, Recreation and Neighborhoods Department budget harmless from increases to these part-time salary classifications recommended.
Parks, Recreation and Neighborhoods, Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2006-236 (Hawn/Keating; unan) approving an increase in the pay ranges of vital part-time employees in the Parks, Recreation and Neighborhoods Department by 7.5% and holding the Parks, Recreation and Neighborhoods Department budget harmless from increases to these part-time salary classifications.

CONSENT
18. Consider approving reorganization of the Recreation Unit and authorizing staff to implement the approved changes.
· Resolution approving reorganization of the Recreation Unit and authorizing staff to implement the approved changes recommended.
Parks, Recreation and Neighborhoods, Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: Resolution 2006-237 (Hawn/Keating; unan) approving reorganization of the Recreation Unit and authorizing staff to implement the approved changes.

CONSENT
19. Consider authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for the purchase of matrix, high density, stacking chairs for the Modesto Centre Plaza, at an estimated total cost of $144,681.
· Resolution authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for the purchase of matrix, high density, stacking chairs for the Modesto Centre Plaza, at an estimated total cost of $144,681 recommended.
Parks, Recreation and Neighborhoods, Mike Mingus, 577-6482, mmingus@modestogov.com

ACTION: Resolution 2006-238 (Hawn/Keating; unan) authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for the purchase of matrix, high density, stacking chairs for the Modesto Centre Plaza, at an estimated total cost of $144,681.

CONSENT
20. Consider approving a grant application for $49,000 in Land and Water Conservation Fund program funding for the construction of a Walking Trail in the Gateway Parcel of the Tuolumne River Regional Park (TRRP).
· Resolution approving a grant application for $49,000 in Land and Water Conservation Fund program funding for a Walking Trail in the Gateway Parcel of the Tuolumne River Regional Park, and authorizing the City Manager or his designee to execute the application and subsequent documents recommended.
Parks, Recreation and Neighborhoods, Beverly Hatcher, 577-5582, bhatcher@modestogov.com

ACTION: Resolution 2006-239 (Hawn/Keating; unan) approving a grant application for $49,000 in Land and Water Conservation Fund program funding for a Walking Trail in the Gateway Parcel of the Tuolumne River Regional Park, and authorizing the City Manager or his designee to execute the application and subsequent documents.

CONSENT
21. Consider approving an amendment to a Standard Agreement between the City of Modesto and Precision Inspection Company Inc., increasing the Scope of Services to include inspections, bid preparation, and rehabilitation contract monitoring services for the Parks, Recreation and Neighborhoods Department for an amount not to exceed $50,000.
· Resolution approving an amendment to a Standard Agreement between the City of Modesto and Precision Inspection Company Inc., increasing the Scope of Services to include inspections, bid preparation, and rehabilitation contract monitoring services for the Parks, Recreation and Neighborhoods Department for an amount not to exceed $50,000 recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-240 (Hawn/Keating; unan) approving an amendment to a

Standard Agreement between the City of Modesto and Precision Inspection Company Inc., increasing the Scope of Services to include inspections, bid preparation, and rehabilitation contract monitoring services for the Parks, Recreation and Neighborhoods Department for an amount not to exceed $50,000.

Item 22 removed from Consent
22. Consider approving a $750,000 loan to the Housing Authority of Stanislaus County, to purchase a 12-unit multi-family housing development located at 1901 Paramont Way ("Paramont Project"), for rental to low-income households.
· Resolution approving a $750,000 loan to the Housing Authority of Stanislaus County, to purchase a 12-unit multi-family housing development located at 1901 Paramont Way ("Paramont Project"), for rental to low-income households, and authorizing the City Manager to execute the loan agreement recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-241 (Marsh/Hawn; unan.) approving a $750,000 loan to the Housing Authority of Stanislaus County, to purchase a 12-unit multi-family housing development located at 1901 Paramont Way ("Paramont Project"), for rental to low-income households, and authorizing the City Manager to execute the loan agreement.

CONSENT
23. Consider amending the Position Classification Plan to amend the classifications of Maintenance Mechanic - Pumps and Operations & Maintenance Crewleader.
· Resolution amending the Position Classification Plan to amend the classifications of Maintenance Mechanic - Pumps and Operations & Maintenance Crewleader recommended.
Personnel; Janice Stewart, 577-5466, jstewart@modestogov.com

ACTION: Resolution 2006-242(Hawn/Keating; unan) amending the Position Classification Plan to amend the classifications of Maintenance Mechanic - Pumps and Operations & Maintenance Crewleader.

Item 24 removed from Consent
24. Consider revising the Job Specification for Water Quality Control Superintendent and title change to Wastewater Treatment Plant Manager.
· Resolution amending the Position Classification Plan to revise the classification of Water Quality Control Superintendent and change the title to Wastewater Treatment Plant Manager recommended.
· Resolution amending the Class Range Table for Management and Confidential Non-Sworn Classes to change the title of Water Quality Control Superintendent to Wastewater Treatment Plant Manager remaining at salary range 446 recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2006-243 (Marsh/Dunbar; unan.) amending the Position Classification Plan to revise the classification of Water Quality Control Superintendent and change the title to Wastewater Treatment Plant Manager.

ACTION: Resolution 2006-244 (Marsh/Dunbar; unan) amending the Class Range Table for Management and Confidential Non-Sworn Classes to change the title of Water Quality Control Superintendent to Wastewater Treatment Plant Manager remaining at salary range 446.

CONSENT
25. Consider amending the Position Classification Plan to revise the job specification for the classification of Emergency Medical Services Coordinator.
· Resolution amending the Position Classification Plan to revise the job specification

for the classification of Emergency Medical Services Coordinator recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2006-245 (Hawn/Keating; unan) amending the Position Classification Plan to revise the job specification for the classification of Emergency Medical Services Coordinator.

CONSENT
26. Consider approving the purchase of two police canines and the associated costs for their purchase and amending the 2005/2006 budget, estimating revenue of $12,000.00 from Asset Forfeitures to police operations for the purchase of two police canines and the associated costs for their purchase.
· Motion approving the purchase of two police canines and the associated costs for their purchase recommended.
· Resolution amending the 2005/2006 budget, estimating revenue of $12,000.00 from Asset Forfeitures to police operations for the purchase of two police canines and the associated costs for their purchase recommended.
Police; Ron Cloward, 572-9500, clowardr@modestopd.com

ACTION: By Motion (Hawn/Keating; unan) approving the purchase of two police canines and the associated costs for their purchase.

ACTION: Resolution 2006-246 (Hawn/Keating; unan) amending the 2005/2006 budget, estimating revenue of $12,000.00 from Asset Forfeitures to police operations for the purchase of two police canines and the associated costs for their purchase.

CONSENT
27. Consider approving an agreement with Sacramento County Sheriff's Department in the amount of $80,000 annually to provide a Modesto Police Sergeant to supervise the satellite office of the Sacramento Valley High Technology Task Force.
· Resolution approving an agreement with the Sacramento County Sheriff's Department in the amount of $80,000 annually to provide a Modesto Police Sergeant to supervise the satellite office of the Sacramento Valley High Technology Task Force, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the Position Allocation Table to include one new Police Sergeant in the Police Department's Fiscal Year 2006/2007 Operating Budget for expenses of $126,000, with estimated offsetting revenues of $80,000 from the Sacramento Valley High Technology Task Force recommended.
Police; Gene Balentine, 572-9505, balentineg@modestopd.com

ACTION: Resolution 2006-247 (Hawn/Keating; unan) approving an agreement with the Sacramento County Sheriff's Department in the amount of $80,000 annually to provide a Modesto Police Sergeant to supervise the satellite office of the Sacramento Valley High Technology Task Force, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-248 (Hawn/Keating; unan) amending the Position Allocation Table to include one new Police Sergeant in the Police Department's Fiscal Year 2006/2007 Operating Budget for expenses of $126,000, with estimated offsetting revenues of $80,000 from the Sacramento Valley High Technology Task Force.

Item 28 removed from Consent
28. Consider authorizing a "sole source" purchase of up to 200 lockable trash containers over the course of five years from Victor Stanley, Inc. for a total cost not to exceed $225,000.
· Resolution authorizing a "sole source" purchase of up to 200 lockable trash containers over the course of five years from Victor Stanley, Inc. of Dunkirk,

Maryland for a total cost not to exceed $225,000 recommended.
Public Works; Fred Cavanah, 577-5298, fcavanah@modestogov.com

ACTION: Resolution 2006-249 (Olsen/Hawn; unan.) authorizing a "sole source" purchase of up to 200 lockable trash containers over the course of five years from Victor Stanley, Inc. of Dunkirk, Maryland for a total cost not to exceed $225,000.

CONSENT
29. Consider approving an agreement between City of Modesto and the new owners of PAK Mail at 3801 Yosemite Boulevard, Suite E, to continue operating as a bus pass outlet for Modesto Area Express.
· Resolution approving an agreement between City of Modesto and the new owners of PAK Mail at 3801 Yosemite Boulevard, Suite E, to continue operating as a bus pass outlet for Modesto Area Express, and authorizing the City Manager, or his designee, to execute the agreement recommended.
Public Works; Fred Cavanah, 577-5298, fcavanah@modestogov.com

ACTION: Resolution 2006-250 (Hawn/Keating; unan) approving an agreement between City of Modesto and the new owners of PAK Mail at 3801 Yosemite Boulevard, Suite E, to continue operating as a bus pass outlet for Modesto Area Express, and authorizing the City Manager, or his designee, to execute the agreement.

CONSENT
30. Consider awarding contracts for On-call Water, Wastewater & Storm Drainage System Impact Studies and Related Engineering Services.
· Resolution awarding a contract to West Yost Associates, Inc. for On-call Water System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorizing the City Manager, or designee, to execute the agreement recommended.
· Resolution awarding a contract to Carollo Engineers for On-call Wastewater System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorize the City Manager, or designee, to execute the agreement recommended.
· Resolution awarding a contract to Stantec Consulting, Inc. for On-call Storm Drainage System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorize the City Manager, or designee, to execute the agreement recommended.
· Resolution amending the current Capital Improvement Budget in order to partially fund the Agreement with West Yost Associates, Inc. by appropriating $25,000 from account 6100-800-8000-8003 (Water Reserves) to CIP account 6180-430-W436-6052 (Water System Analysis-Primary) recommended.
Public Works; Violet Jakab, 577-5869, vjakab@modestogov.com

ACTION: Resolution 2006-251 (Hawn/Keating; unan) awarding a contract to West Yost Associates, Inc. for On-call Water System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorizing the City Manager, or designee, to execute the agreement.

ACTION: Resolution 2006-252 (Hawn/Keating; unan) awarding a contract to Carollo Engineers for On-call Wastewater System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorize the City Manager, or designee, to execute the agreement.

ACTION: Resolution 2006-253 (Hawn/Keating; unan) awarding a contract to

Stantec Consulting, Inc. for On-call Storm Drainage System Impact Studies and Related Engineering Services for the Public Works Department - Capital Improvement Services Division for a one-year agreement with three, one-year extension options and authorize the City Manager, or designee, to execute the agreement.

ACTION: Resolution 2006-254 (Hawn/Keating; unan) amending the current Capital Improvement Budget in order to partially fund the Agreement with West Yost Associates, Inc. by appropriating $25,000 from account 6100-800-8000-8003 (Water Reserves) to CIP account 6180-430-W436-6052 (Water System Analysis-Primary).

CONSENT
31. Consider authorizing the Purchasing Manager to issue a Request for Proposals for Pretreatment Program Software at an approximate cost of $60,000.
· Resolution authorizing the Purchasing Manager to issue a Request for Proposals for Pretreatment Program Software at an approximate cost of $60,000 recommended.
Public Works; John Rivera, 577-6240, jrivera@modestogov.com

ACTION: Resolution 2006-255 (Hawn/Keating; unan) authorizing the Purchasing Manager to issue a Request for Proposals for Pretreatment Program Software at an approximate cost of $60,000.

CONSENT
32. Consider directing staff to prepare and file the Annual Report for Landscape Maintenance Assessment District No. 1 for Dry Creek Meadows Subdivisions Nos. 1 - 6.
· Resolution stating that there were no new improvements or substantial changes in the existing improvements, and directing staff to prepare and file the annual report for Landscape Maintenance Assessment District No. 1 for Dry Creek Meadows Subdivisions Nos. 1 through 6 recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-256 (Hawn/Keating; unan) stating that there were no new improvements or substantial changes in the existing improvements, and directing staff to prepare and file the annual report for Landscape Maintenance Assessment District No. 1 for Dry Creek Meadows Subdivisions Nos. 1 through 6.

CONSENT
33. Consider directing staff to prepare and file the Annual Report for Landscape Maintenance Assessment District No. 2 For Dry Creek Meadows Subdivisions Nos. 7 - 10, Creekwood Meadows Subdivision, and Yosemite Meadows Subdivisions Units 1 and 2.
· Resolution stating that there were no new improvements or substantial changes in the existing improvements, and directing staff to prepare and file the annual report for Landscape Maintenance Assessment District No. 2 For Dry Creek Meadows Subdivisions Nos. 7 - 10, Creekwood Meadows Subdivision, and Yosemite Meadows Subdivisions Units 1 and 2 recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-257 (Hawn/Keating; unan) stating that there were no new improvements or substantial changes in the existing improvements, and directing staff to prepare and file the annual report for Landscape Maintenance Assessment District No. 2 For Dry Creek Meadows Subdivisions Nos. 7 - 10, Creekwood Meadows Subdivision, and Yosemite Meadows Subdivisions Units 1 and 2.

CONSENT
34. Consider accepting the improvements for Shadow Creek Apartments along Floyd Avenue and Roselle Avenue, in the Village One Specific Plan Area, and authorizing the City Clerk to file a Notice of Completion (Owner: American Home Builders, Inc., A

Washington Corporation).
· Resolution accepting the improvements for Shadow Creek Apartments and authorizing the City Clerk to file a Notice of Completion recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-258 (Hawn/Keating; unan) accepting the improvements for Shadow Creek Apartments and authorizing the City Clerk to file a Notice of Completions.

CONSENT
35. Consider accepting the CFD Improvements for the Hacienda Del Sol Unit 2 Subdivision, in the Village One Specific Plan Area, and Authorizing the City Clerk to File a Notice of Completion (Owner: Centex Homes, A Nevada General Partnership).
· Resolution accepting the CFD improvements for the Hacienda Del Sol Unit 2 Subdivision and authorizing the City Clerk to file a Notice of Completion recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-259 (Hawn/Keating; unan) accepting the CFD improvements for the Hacienda Del Sol Unit 2 Subdivision and authorizing the City Clerk to file a Notice of Completion.

CONSENT
36. Consider rejecting the sole bid for the project titled "2006 Water Well Development" and authorizing staff to re-advertise the project at a future date.
· Resolution rejecting the sole bid for the project titled "2006 Water Well Development" and authorizing staff to re-advertise the project at a future date recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-260 (Hawn/Keating; unan) rejecting the sole bid for the project titled "2006 Water Well Development" and authorizing staff to re-advertise the project at a future date.

CONSENT
37. Consider directing Staff to specify a 4-foot by 8-foot sign be placed on all major capital improvement projects designating funding sources for construction.
· Resolution directing Staff to specify a 4-foot by 8-foot sign be placed on all major capital improvement projects designating funding sources for construction recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-261 (Hawn/Keating; unan) directing Staff to specify a 4-foot by 8-foot sign be placed on all major capital improvement projects designating funding sources for construction.

COUNCIL COMMENTS & REPORTS

38. At Vice Mayor O'Bryant's request, consider a motion authorizing Vice Mayor O'Bryant to continue work on a solution regarding mobile home rents and the elderly.

ACTION: By motion (Ridenour/Marsh; unan.) Vice Mayor O'Bryant was authorized by the Council to continue to work on a solution to the mobile home rent issue and to return to the Council to consider adopting a resolution regarding this item.

WRITTEN COMMUNICATIONS

39. Consider a letter from Larry Shetterly, President of the Coralwood Residents Committee, regarding the runaway rent increases of Coralwood Senior Park.

ACTION: No action taken.

Recess 7:00
Reconvene 7:15

HEARINGS

Published in the Modesto Bee on 4/8/06
40. Consider an appeal by Bethany Christian Services for imposition or modification of Capital Facilities Fees for the construction of an office building located on the east side of Hahn Drive, south of Standiford Avenue.
· Resolution denying the appeal by Bethany Christian Services for imposition of Capital Facilities Fees, CFF, for the construction of an office building located on Hahn Drive, south of Standiford Avenue recommended.
City Manager; Amy S. Gedney, 577-5211, agedney@modestogov.com

ACTION: Resolution 2006-262 (Dunbar/Keating; majority, Olsen no) denying the appeal by Bethany Christian Services for imposition of Capital Facilities Fees, CFF, for the construction of an office building located on Hahn Drive, south of Standiford Avenue.

Published in the Modesto Bee on 4/8/06
It is requested that this item be continued to May 23, 2006.
41. Hearing to consider introducing a Code Enforcement Inspection Fee of $33.00 to be applied to "problem properties" that are subject to the 4th and 5th contacts by Neighborhood Preservation Unit (NPU) staff within 12 months of last contact, and $101.00 to be applied to "problem properties" that are subject to 6 or more contacts by NPU within 12 months of last contact, with an annual inflation rate of 3% for the next four years.
· Motion continuing item to May 23, 2006 recommended.
Parks, Recreation & Neighborhoods; Julie Hannon, 577-5417, jhannon@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) continuing item to May 23, 2006.

Councilmember Hawn absent due to conflict of interest.
It is requested, per a letter from the appellant, that this hearing be continued to June 27, 2006.
This hearing was continued from 3/7/06 and 3/28/06 at request of appellant.
Published in the Modesto Bee on 2/28/06 and 3/18/06. Mailed on 2/17/06.
42. Hearing to consider the appeal of Ronald Malik to a decision by the Planning Commission approving the Vesting Tentative Subdivision Map of the Bridges Business Park, property located on the south side of Kiernan Avenue west of the Dale Road Intersection.
· Resolution denying the appeal of Ronald Malik to a Planning Commission decision approving Condition No. 14 to the Bridges Vesting Tentative Parcel Map recommended.
Community & Economic Development; Daniel De La O, 577-5267, ddelao@modestogov.com

ACTION: By Motion (Keating/Marsh; unan. Hawn absent) continuing item to June 27, 2006.

NEW BUSINESS

43. Discuss the Charter Review Process and provide the Charter Review Committee with suggested topics for consideration as part of the review.

ACTION: No action taken.

44. Consider accepting the General Fund Status and Revenue Update.
· Motion accepting staff report on General Fund status recommended.
· Resolution amending General Fund operating budget to reflect revised revenue projections for FY 2005-06 recommended.
Finance; Wayne Padilla, 577-5369, wpadilla@modestogov.com

ACTION: By Motion (O'Bryant/Dunbar; unan.) accepting staff report on General Fund status.

ACTION: Resolution 2006-263 (O'Bryant/Dunbar; unan) amending General Fund operating budget to reflect revised revenue projections for FY 2005-06.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:30 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director
Janice Stewart, Deputy Director of Personnel

Employee Organization: Modesto City Employees Association (MCEA)

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto Confidential & Management Association (MCMA)

Agency Negotiators: Janice Stewart, Deputy Director of Personnel
Nick Pinhey, Public Works Director
Dan Wilkowsky, Deputy Director of Public Works
Jana McCarron, Administrative Services Officer

Employee Organization: Modesto City Employees Association (MCEA)
(Meet and Confer on Wastewater Treatment Plant
Operators Schedule)

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of Sylvan School District surplus property located on Floyd Avenue at the intersection of Floyd Avenue and Lincoln Oak Drive

APN: 077-008-027 - . 48 acres ±

Negotiating parties: Vickey Dion, CFD Engineer - for the City

Ron Lebs - negotiating for Sylvan Union School District

Under negotiation: Price and terms of sale of property.

Property: Acquisition of real property located at 3019 Floyd Avenue.

APN: 085-050-007 (portion) - 3,335.14 square feet
or 0.0765 Acres ±

Negotiating Parties: Steve Long, Overland, Pacific & Cutler, Inc., for the City
Bruce Whitacre, for owner

Under negotiation: Price and terms of sale of property.

Property: Acquisition of real property located at 2606 Roselle Avenue.

APN: 085-050-008 (portion) - 7,359.23 square feet
or 0.1689 Acres ±

Negotiating Parties: Steve Long, Overland, Pacific & Cutler, Inc., for the City
Bruce Whitacre, for owner

Under negotiation: Price and terms of sale of property.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code: One Case

CFD

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

JUNE 3, 2006

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

JUNE 3, 2006

Cynthia Ortega

(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT
NO.20041 (VILLAGE ONE#2),
AND THE LEVY OF SPECIAL TAXES
WITHIN THE TERRITORYPROPOSED TO BE
ANNEXEDANNEXATION NO.12

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on April 25, 2006, adopt its Resolution No.2006-228 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of six parcels identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. Nos. 085-033-066, 085-033-067, 085-033-068, 077-009-025, 085-003-057, and 085-001-026. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2006-228. The time and place for the hearing is Tuesday, June 13, 2006 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2006-228. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209) 577-5211.

Dated: 2006
Jean MorrisCity Clerk

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 12 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 12.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

May 10, 2006
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 11

Assessor's Parcel Numbers	Owner's Names	Owner's Addresses	Situs Address
085-033-068	David G. Graham and Audry A. Graham, husband and wife, as Joint Tenants	3525 E. Service Road Ceres, CA 95307	2205 Fine Avenue Modesto, CA
085-033-066	Susan Elaine Regnerus, Trustee of the Billie Charles Holloman 2002 Revocable Living Trust	2313 Fine Avenue Modesto, CA 95355	2313 Fine Avenue Modesto, CA 95355
085-033-067*	Susan E. Regnerus and Rodney E. Regnerus, husband and wife as Joint Tenants	2307 Fine Avenue Modesto, CA 95355	2307 Fine Avenue Modesto, CA 95355
077-009-025	Sylvia Magaddino, Trustee of the Magaddino Trust	160 Virginia Lane Alamo, CA 94507	3212 Oakdale Road Modesto, CA
085-003-057	Jean McDonald and Jay N. Hill Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust; Jay N. Hill and Jean McDonald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust; Jay N. Hill, Jean McDonald; Jean McDonald and Jay N. Hill, Co-Trustee for Wayne M. Hill Testamentary Trust, as their interest my appear of record by Deeds Intruments 2001-78445 and 2001-78446 July 12 2001	1071 Sapphire Way Manteca, CA 95336	1641 Claus Road Modesto, CA
085-001-026	Peter A. Reece, Sr. and Charlene M. Reese, husband and wife, as Community Property, ast to an undivided 1/4 interest; Joseph L. Pimentel Jr. and Sheryl K. Pimentel, husband and wife, as Community Property, as to and undivided 1/4 interest; Stephen D. Hughes and Kathleen Hughs, husband and wife, as Community Property, as to an undivided 1/2 interest	6932 Arrowwood Riverbank, CA 95367	3445 Claus Road Modesto, CA

* May 8, 2006 letter from City of Modesto appears to have erroneously listed this as A.P.N. 085-003-067

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

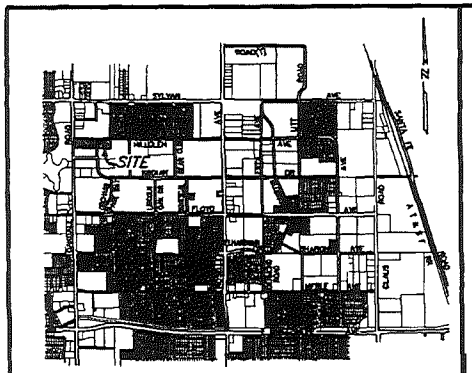
PREPARED BY:

DELAMARE-FULTZ

ENGINEERING AND SURVEYING

3421 TULLY ROAD SUITE J MODESTO, CA. 95350

TELEPHONE (209) 529-7480



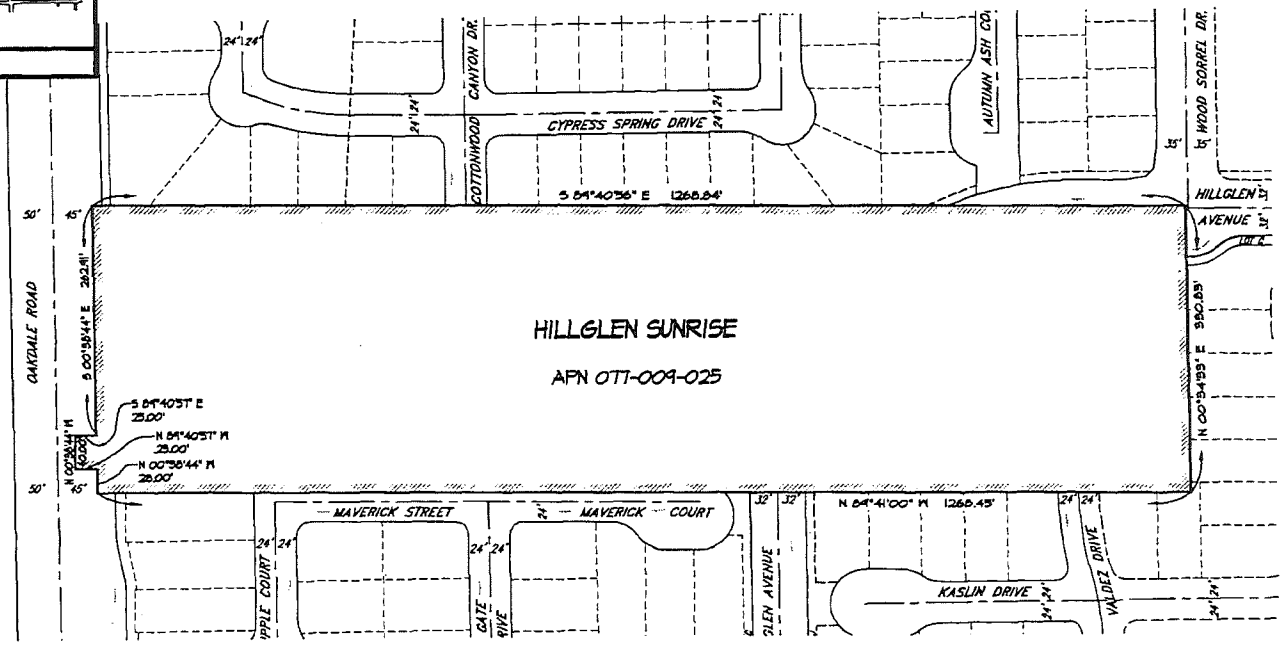
VICINITY MAP

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 80'



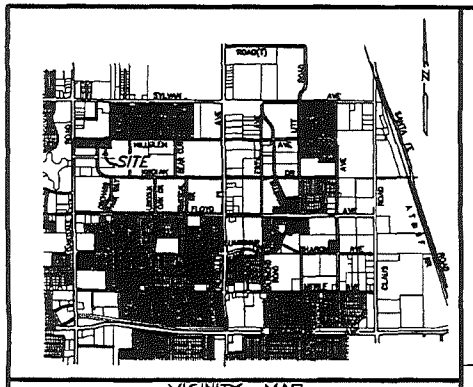
SHEET 4 OF 4 SHEETS

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA 95350
TELEPHONE (209) 529-7456



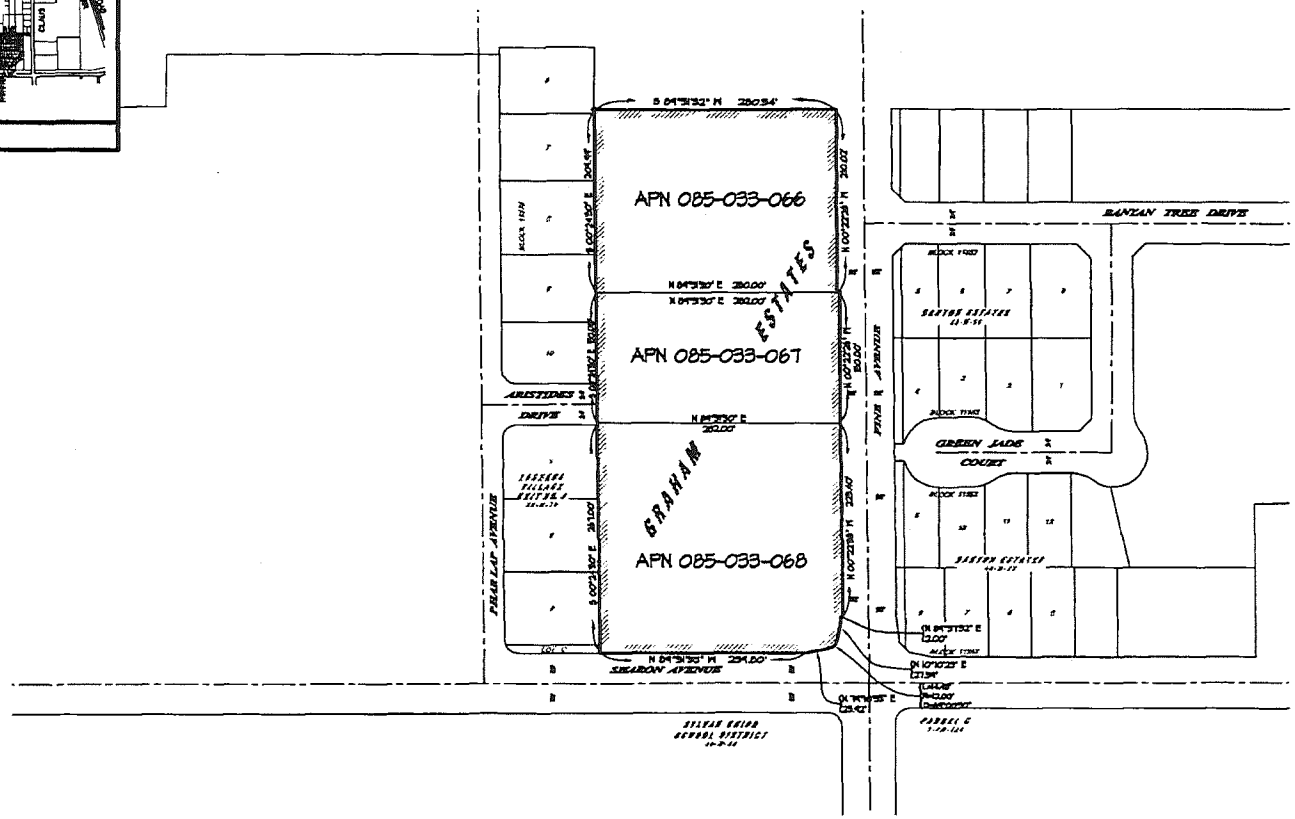
VICINITY MAP
(NO SCALE)

LEGEND

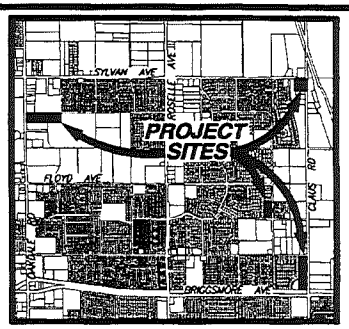
BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE: 1" = 50'



SHEET 3 OF 4 SHEETS



VICINITY MAP

N.T.S.

ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE CONSOLIDATED BOUNDARY MAP FOR WHICH WAS RECORDED ON NOVEMBER 23, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 33, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP OF ANNEXATION NO. 11 TO THE DISTRICT WAS RECORDED ON FEBRUARY 9, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 36, IN THAT OFFICE.

_____
JEAN MORRIS, CITY CLERK

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2006.

_____
JEAN MORRIS, CITY CLERK

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2006, BY ITS RESOLUTION NO._____.

_____
JEAN MORRIS, CITY CLERK

FILED THIS _____ DAY OF _____, 2006, AT THE HOUR OF _____ O'CLOCK ____M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

_____
LEE LUNDGREN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

SCALE 1" = 50'

50 25 0 50 100

SCALE: 1" = 50'

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA
C1	75.00'	120.44'	92°00'23"

LINE TABLE

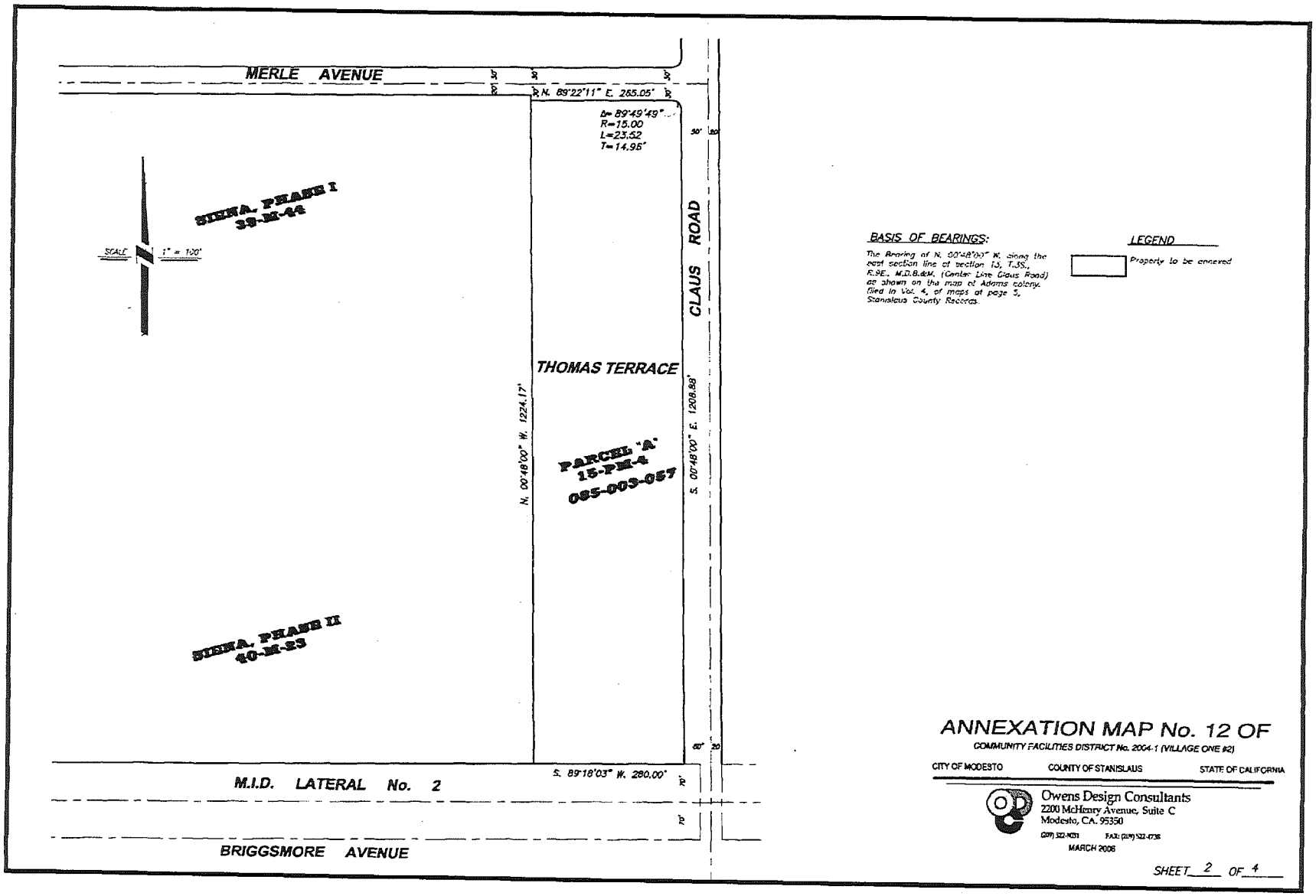
LINE	BEARING	LENGTH
L1	S89°48'41"W	33.17'
L2	S87°48'06"E	74.56'

BASIS OF BEARINGS

A BEARING OF NORTH 00°03'12" EAST FOR THE LINE BETWEEN THE GPS CONTROL MONUMENT NO. 2628 AND GPS CONTROL MONUMENT NO. 2728 AS SHOWN ON THE AMENDED CITY OF MODESTO "GPS CONTROL NETWORK" (1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983), FILED FOR RECORD IN VOL. 22 OF SURVEYS, AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS OF ALL BEARINGS SHOWN ON THIS MAP.

ALL DISTANCES ARE GROUND LEVEL DISTANCES.

04/12/2006 K:\104306\EXHIBITS\annex p-d.dwg


MERLE AVENUE
N. 89°22'11" E. 265.05'
Δ= 89°49'49"
R=15.00
L=23.52
T=14.95'
SIENA, PHASE I
39-M-44
SCALE 1" = 100'
CLAUS ROAD
THOMAS TERRACE
N. 00°48'00" W. 1224.17'
S. 00°48'00" E. 1208.88'
PARCEL "A"
15-PM-4
085-003-057
SIENA, PHASE II
40-M-23
M.I.D. LATERAL No. 2
S. 89°18'03" W. 280.00'
BRIGGSMORE AVENUE
BASIS OF BEARINGS:
The Bearing of N. 00°48'00" W. along the east section line of section 13, T.3S., R.9E., M.D.B.&M. (Center Line Claus Road) as shown on the map of Adams colony, filed in Vol. 4, of maps at page 5, Stanislaus County Records.
LEGEND
Property to be annexed
ANNEXATION MAP No. 12 OF
COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)
CITY OF MODESTO
COUNTY OF STANISLAUS
STATE OF CALIFORNIA
Owens Design Consultants
2200 McHenry Avenue, Suite C
Modesto, CA. 95350
MARCH 2006
SHEET 2 OF 4

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A consisting of four pages, describing the boundaries of property proposed to be annexed (the "Annexed Territory") APN 085-003-057; 085-033-066; 085-033-067; 085-033-068; 085-011-026 as a part of Annexation No. 12 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On May 18, 2006, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are NO persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan
Lee Lundrigan

May 18, 2006
Date of Execution

Modesto, California
Place of Execution

EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

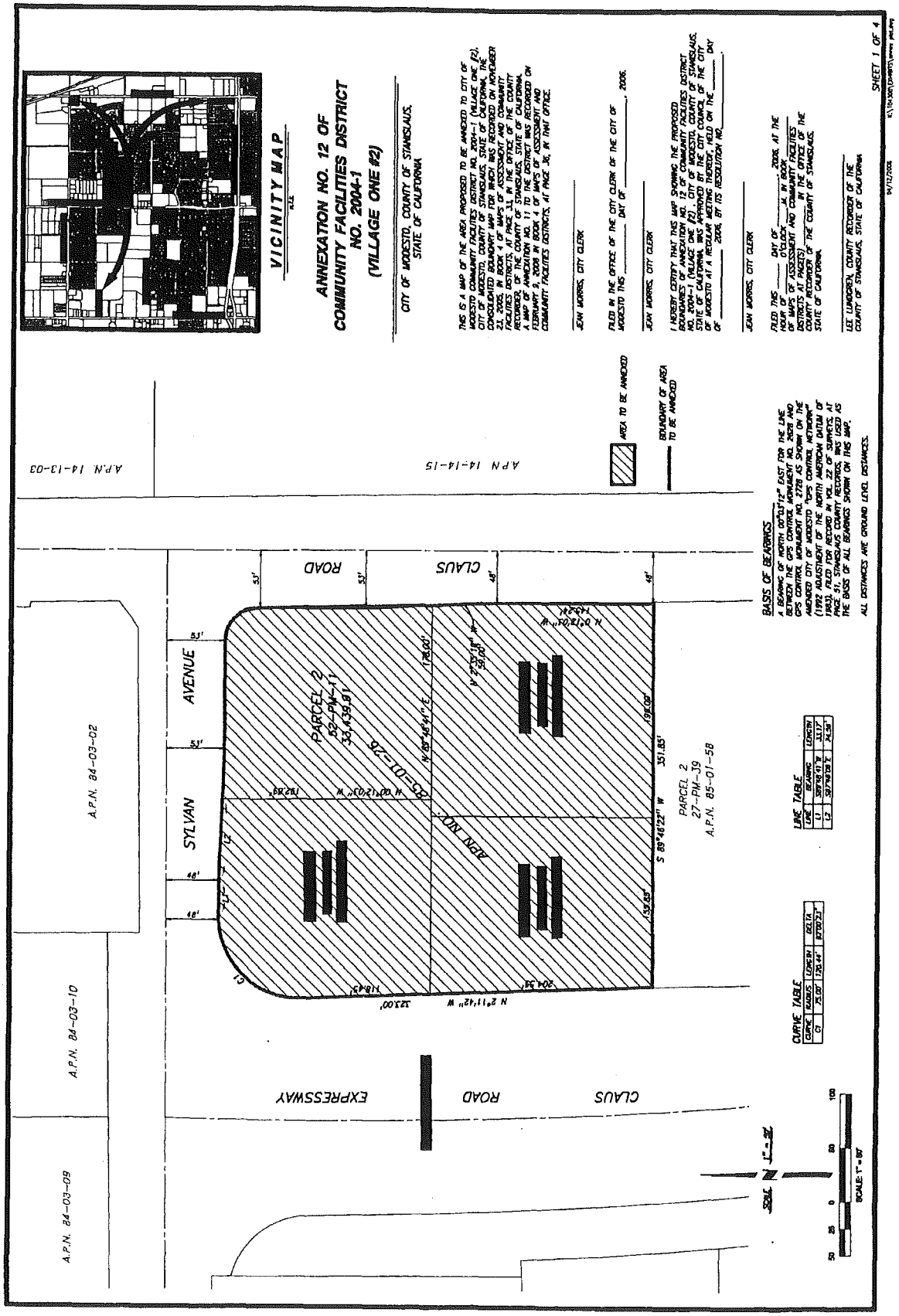


EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

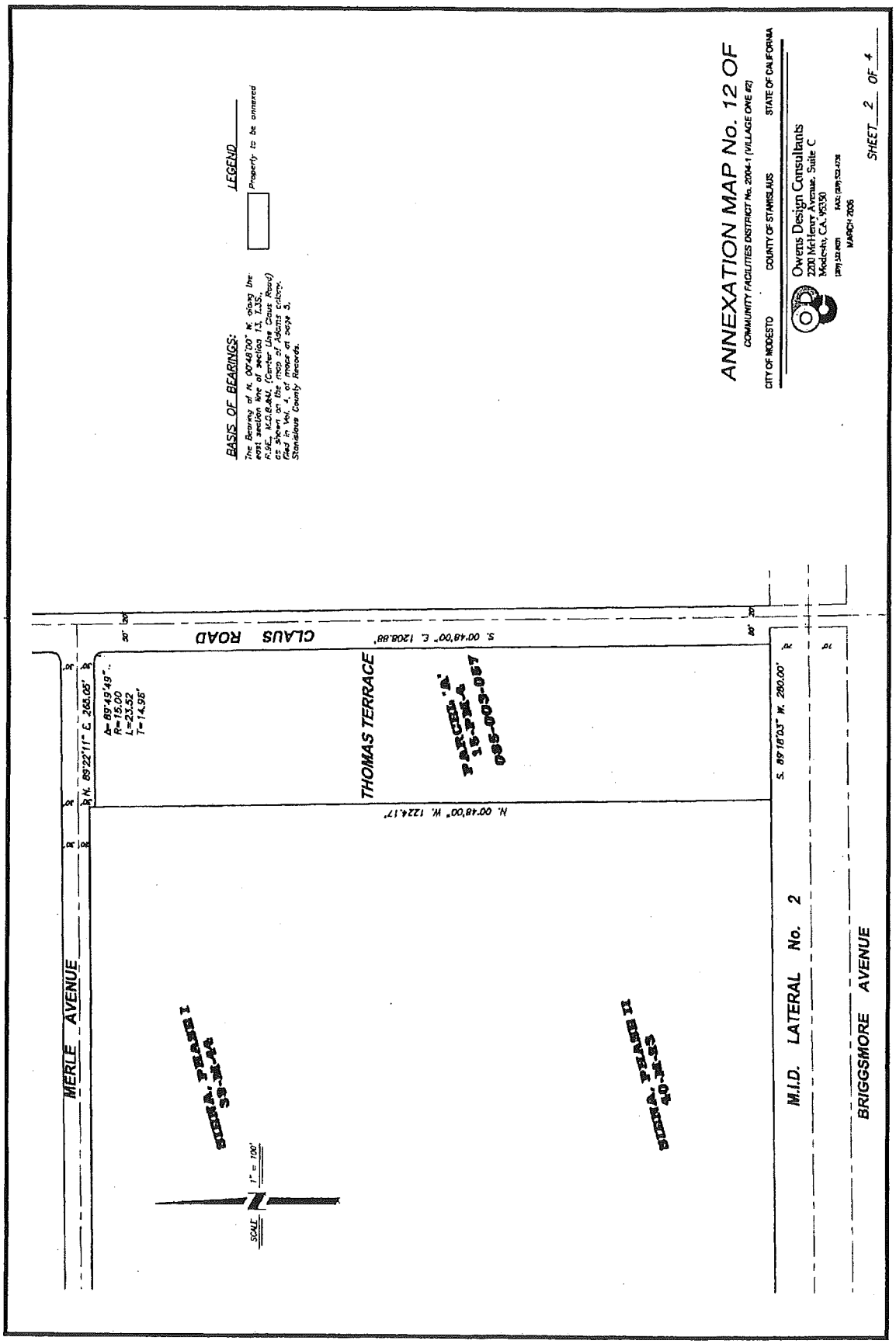


EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

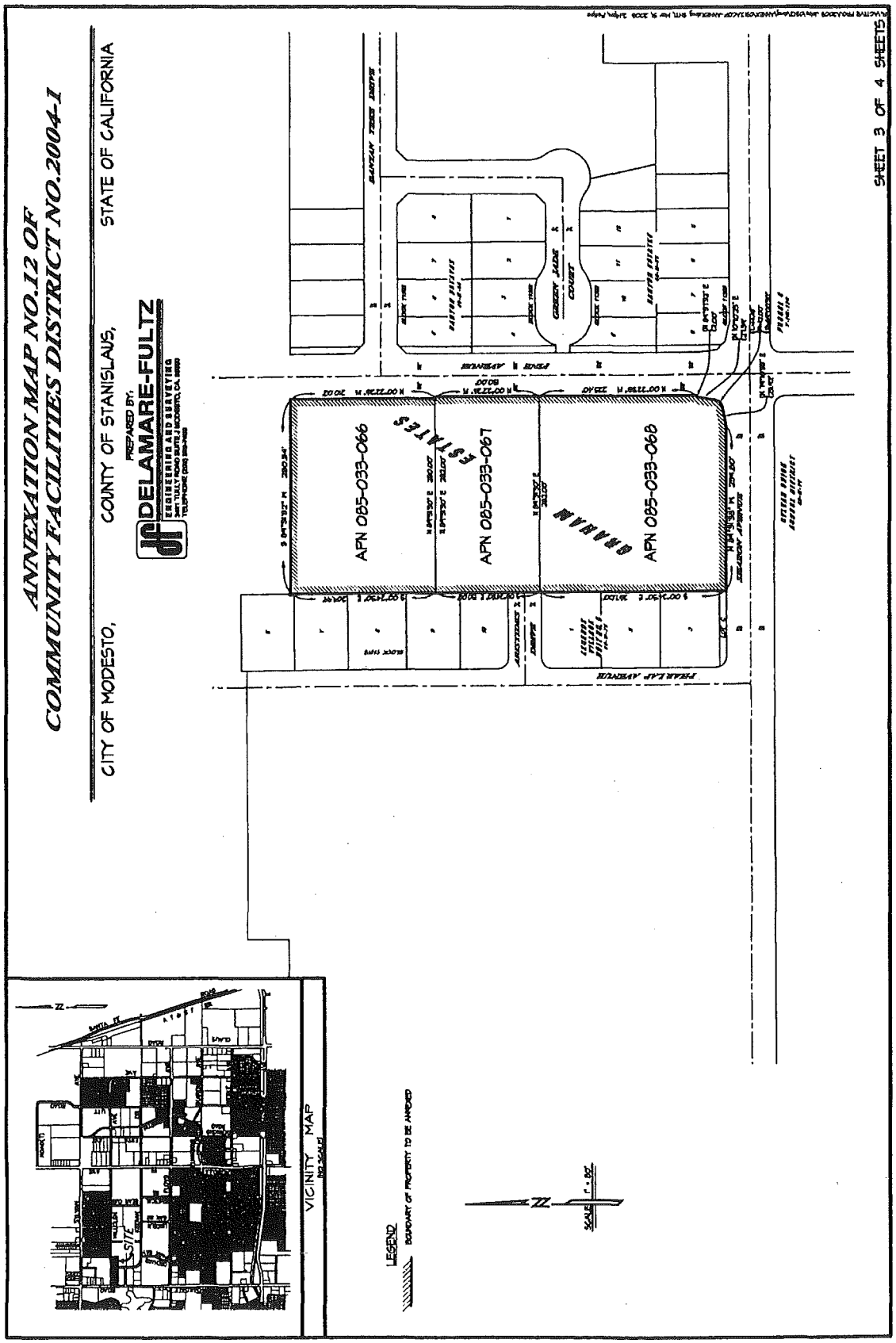
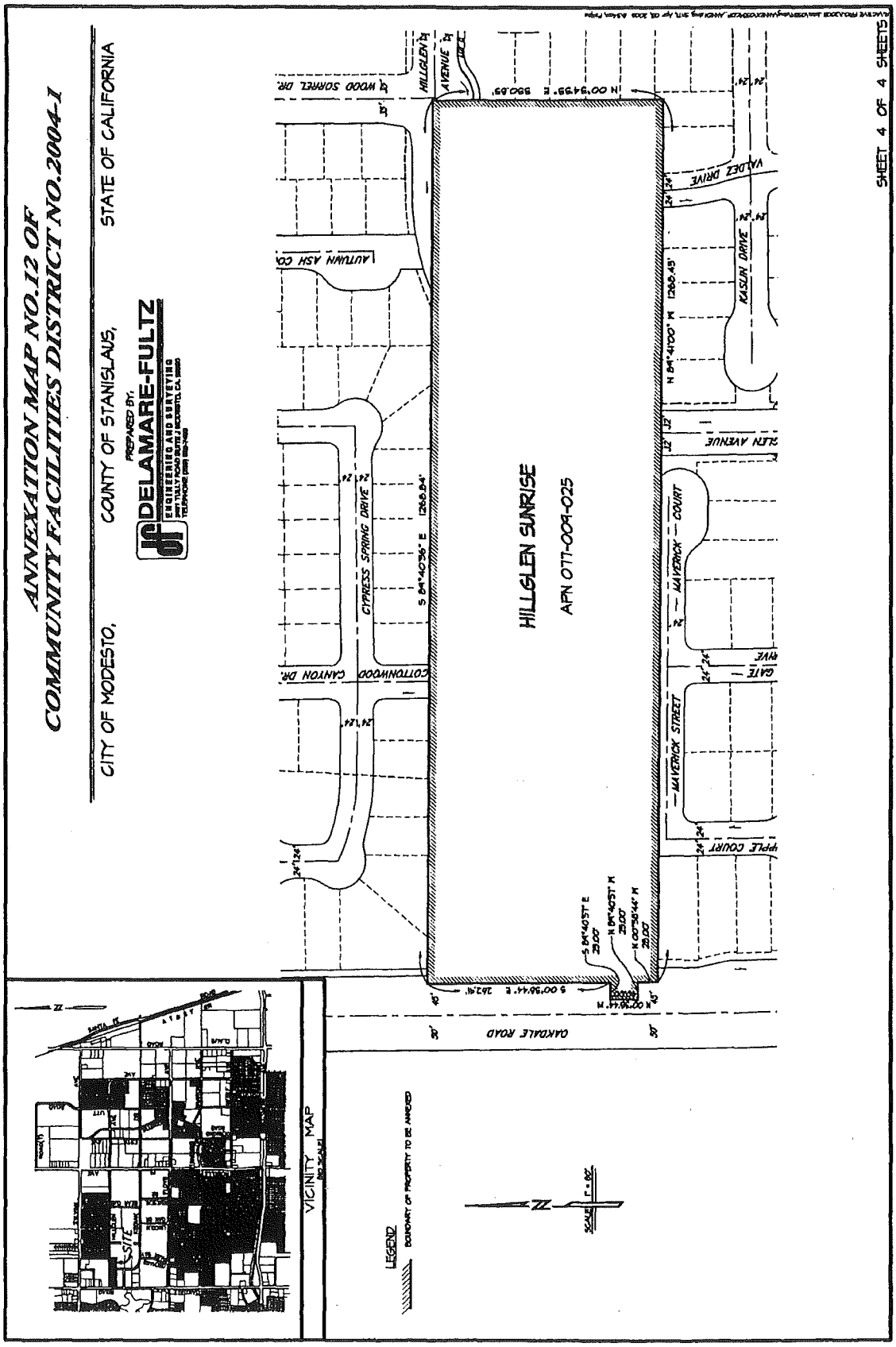


EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



Peter A. Reece, Sr. and
Charlene M. Reece;
Joseph L. Pimentel Jr. and
Sheryl K. Pimentel;
Stephen D. Hughes and
Kathleen Hughes

A.P. No. 085-001-026

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-001-026 (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: _____

_____.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ___ There is no deed of trust or other secured interest encumbering any of the Property.

b. X There is a deed of trust or other secured interest, dated 12/02/05, and recorded on 12/30/05, instrument number 2005-023608-00 of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property.
The name and address of the Beneficiary thereunder is: Modesto Commerce Bank, A Division of Bank of Stockton; the name and address of the Trustee thereunder is: MCB Ventures, Inc.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Stephen Hughes as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 6932 Arrowwood Drive, Riverbank, CA 95367.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: MAY 23, 2006

LANDOWNER:

Peter A. Reece, Sr. and Charlene M. Reece, husband and wife, as Community Property, as to an undivided ¼ interest;

Joseph L. Pimentel, Jr. and Sheryl K. Pimentel, husband and wife, as Community Property, as to an undivided ¼ interest;

Stephen D. Hughes and Kathleen Hughes, husband and wife, as Community Property, as to an undivided ½ interest

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

By: _____
Peter A. Reece, Sr.

By: _____
Charlene M. Reece

By: _____
Joseph L. Pimentel, Jr.

By: _____
Sheryl K. Pimentel

By: _____
Stephen D. Hughes

By: _____
Kathleen Hughes

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2006-228 (the "Resolution") to annex certain territory (Annexation No. 12) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: May 23, 2006

Modesto Commerce Bank, a division of Bank of Stockton, a California corporation ("Lender")

By: _____
Name: James B. Poore
Title: Vice President

By: _____
Name: Douglas Eddy
Title: Vice President

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of San Joaquin } ss.

On May 16, 2006 (Date) before me, Leslie Ann Pellegri (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Peter A Reece, Sr. & Charlene M. Reece (Name(s) of Signer(s)),

☒ personally known to me
☐ 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.

Commission # 1488787
Notary Public - California
San Joaquin County
My Comm. Expires Jul 29, 2007

WITNESS my hand and official seal.

Leslie Ann Pellegri
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Acknowledgment

State of California)
County of Stanislaus) ss.

On 5/16/06, before me, Tina Marie Johnson, a Notary Public, personally appeared Joseph Pimentel & Sheryl Pimentel, personally known to me (or 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.

WITNESS my hand and official seal.

ES11 TINA MARIE JOHNSON
COMM. #1649301
Notary Public-California
STANISLAUS COUNTY
My Comm. Exp. March 4, 2010 ES11

Signature Tina Marie Johnson

Acknowledgment

State of California)
County of Stanislaus) ss.

On 5/16/06, before me, TINA Marie Johnson, a Notary Public, personally appeared Stephen Hughes & Kathleen Hughes personally known to me (or 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.

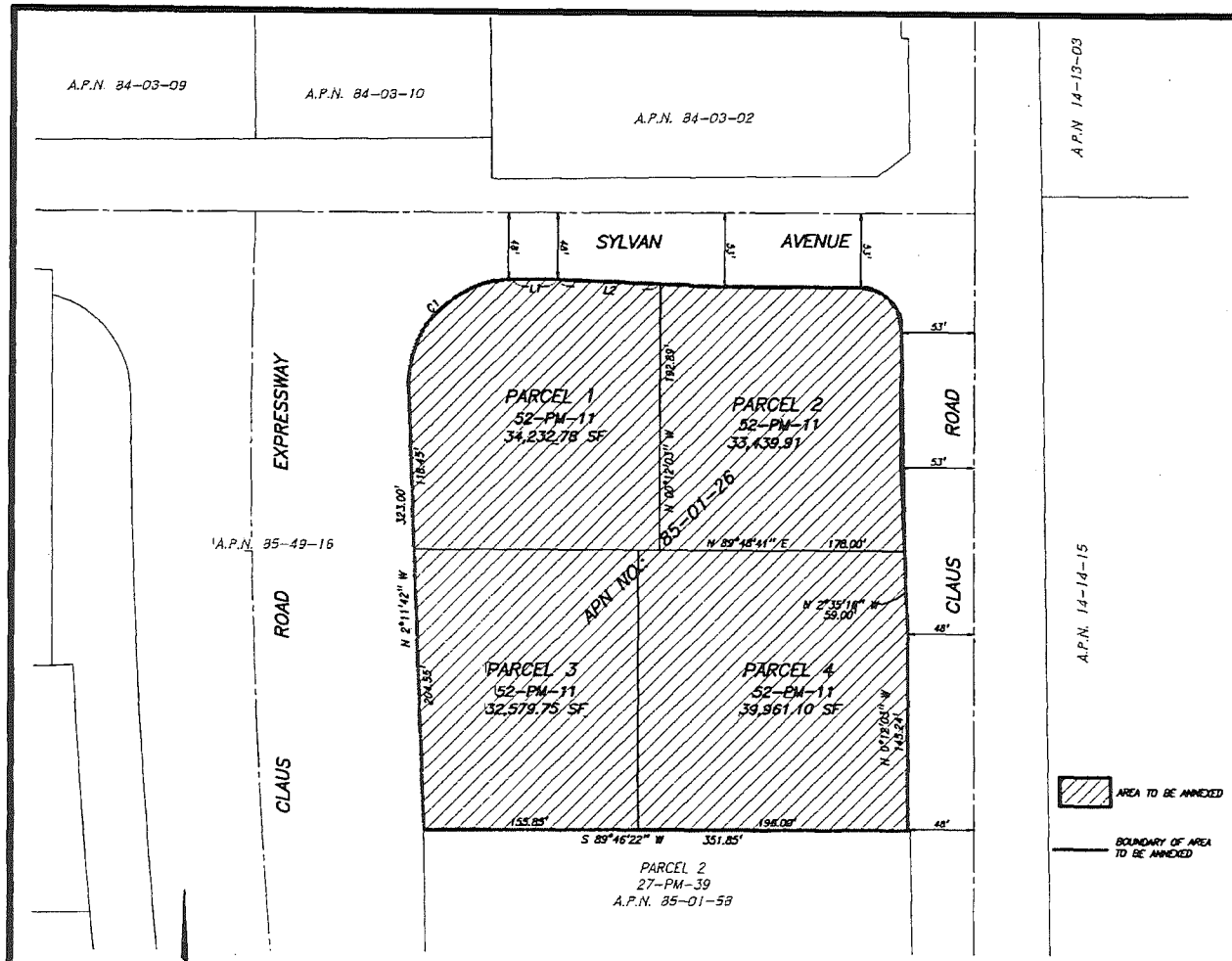
WITNESS my hand and official seal.

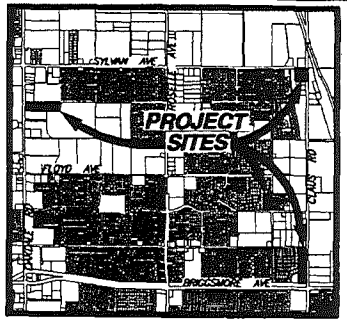
ESI1 TINA MARIE JOHNSON
COMM. #1649301
Notary Public-California
STANISLAUS COUNTY
My Comm. Exp. March 4, 2010 ESI1

Signature Tina Johnson

EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)





VICINITY MAP

N.T.S.

ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

AREA TO BE ANNEXED

BOUNDARY OF AREA TO BE ANNEXED

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE CONSOLIDATED BOUNDARY MAP FOR WHICH WAS RECORDED ON NOVEMBER 23, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 33, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA. A MAP OF ANNEXATION NO. 11 TO THE DISTRICT WAS RECORDED ON FEBRUARY 9, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 36, IN THAT OFFICE.

_____
JEAN MORRIS, CITY CLERK

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS _____ DAY OF _____, 2006.

_____
JEAN MORRIS, CITY CLERK

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 12 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2006, BY ITS RESOLUTION NO._____.

_____
JEAN MORRIS, CITY CLERK

FILED THIS _____ DAY OF _____, 2006, AT THE HOUR OF _____ O'CLOCK ____M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

_____
LEE LUNDGREN, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA
C1	75.00'	120.44'	92°00'53"

LINE TABLE

LINE	BEARING	LENGTH
L1	S89°48'41"W	33.17'
L2	S87°48'08"E	74.36'

BASIS OF BEARINGS

A BEARING OF NORTH 00°03'12" EAST FOR THE LINE BETWEEN THE GPS CONTROL MONUMENT NO. 26218 AND GPS CONTROL MONUMENT NO. 2728 AS SHOWN ON THE AMENDED CITY OF MODESTO "GPS CONTROL NETWORK" (1992 ADJUSTMENT OF THE NORTH AMERICAN DATUM OF 1983), FILED FOR RECORD IN VOL. 22 OF SURVEYS, AT PAGE 51, STANISLAUS COUNTY RECORDS, WAS USED AS THE BASIS OF ALL BEARINGS SHOWN ON THIS MAP.

ALL DISTANCES ARE GROUND LEVEL DISTANCES.

04/12/2006 R:\1043001\EXHIBITS\annex plot.dwg

Sylvia Magaddino

A.P. No. 077-009-025

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 077-009-025 (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Sylvia Magaddino, trustee of the Magaddino Marital Trust.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Scott Montilla as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 627-A Bitritto Court, Modesto, CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5.15.06, 2006

LANDOWNER: Sylvia Magaddino, trustee of the Magaddino Marital Trust

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: Sylvia Magaddino, ttee
Sylvia Magaddino
of the Magaddino Marital Trust

SF1 1402515v2 47922/29

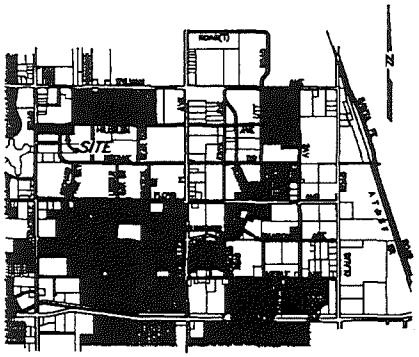
EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3401 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 526-7400



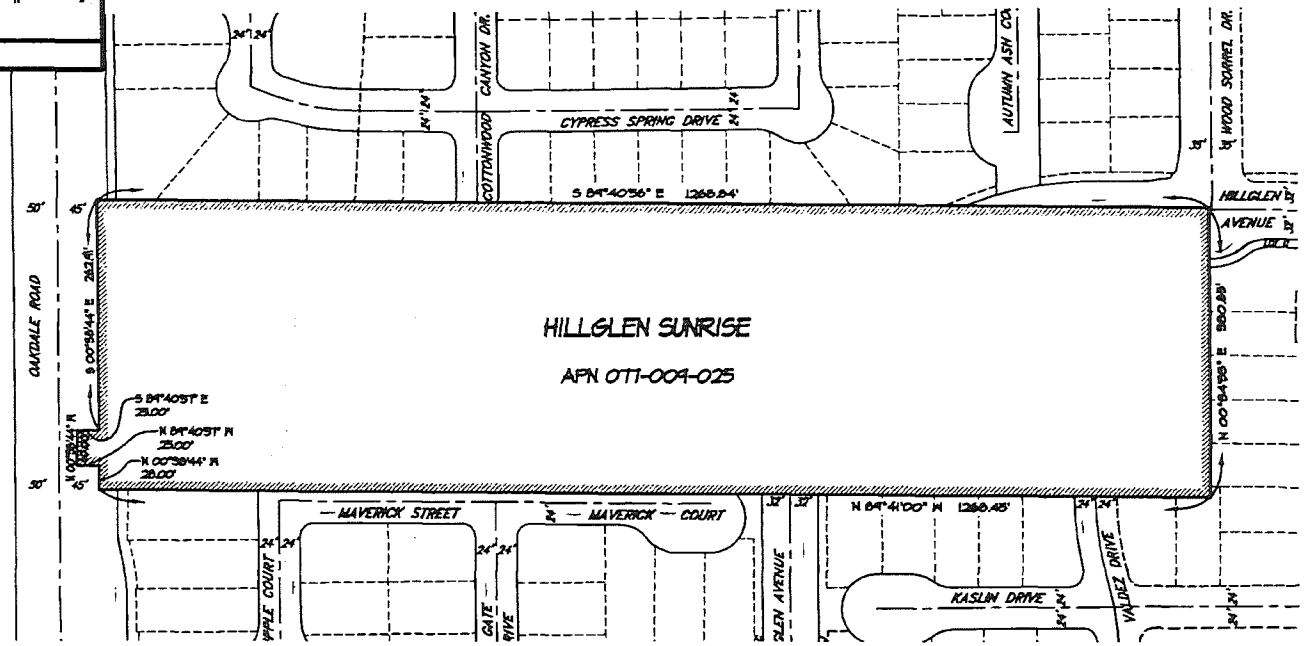
VICINITY MAP
NO SCALE

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE: 1" = 60'



SHEET 4 OF 4 SHEETS

Jean McDonald et al

A.P. No. 085-003-057

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number 085-003-057 (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: JAY N. HILL, JEAN McDONALD; JEAN McDONALD AND JAY N. HILL, CO-TRUSTEES FOR WAYNE M. HILL ACCORDING TO THE TERMS OF THE VERNA L. HILL 1996 REVOCABLE LIVING TRUST

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____ _____; the name and address of the Trustee thereunder is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Scott Montilla as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 627-A Bitritto Court, Modesto, CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5-12, 2006

LANDOWNER:

Jean Mc Donald and Jay N. Hill Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust;

Jay N. Hill and Jean Mc Donald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust;

✓ Jay N. Hill, Jean Mc Donald;

✓ Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill according to the terms of the Verna L. Hill 1996 Revocable Living Trust; and

3. Landowners certify there are NO registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: JAY N. HILL, JEAN McDONALD; JEAN McDONALD AND JAY N. HILL, CO-TRUSTEES FOR WAYNE M. HILL ACCORDING TO THE TERMS OF THE VERNA L. HILL 1996 REVOCABLE LIVING TRUST.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ✓ There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____ _____; the name and address of the Trustee thereunder is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Scott Montilla as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 627-A Bitritto Court, Modesto CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5/12/06, 2006

LANDOWNER:

Jean Mc Donald and Jay N. Hill Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust;

Jay N. Hill and Jean Mc Donald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust;

✓ Jay N. Hill, Jean Mc Donald;

✓ Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill according to the terms of the Verna L. Hill 1996 Revocable Living Trust; and

Jay N. Hill and Jean Mc Donald, Co-Trustees for Wayne M. Hill according to the terms of the Nelson John Hill Testamentary Trust, as their interests may appear of record by Deeds Instruments 2001-78445 and 2001-78846 July 12, 2001

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: Jean Mc Donald
Jean Mc Donald

By: _____
Jay N. Hill

SF1 1402515v2 47922/29

Jay N. Hill and Jean Mc Donald, Co-Trustees for Wayne M. Hill according to the terms of the Nelson John Hill Testamentary Trust, as their interests may appear of record by Deeds Instruments 2001-78445 and 2001-78846 July 12, 2001

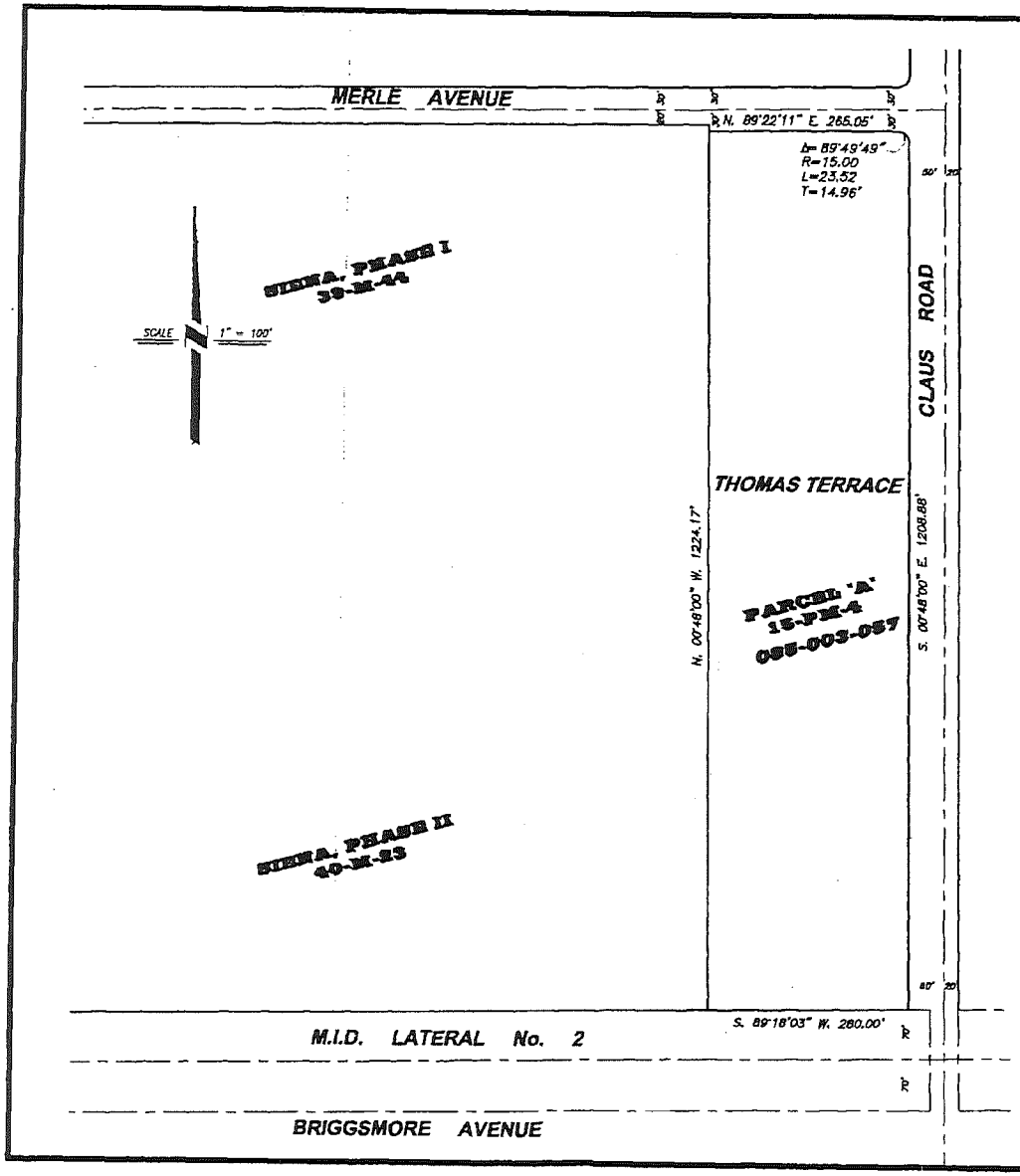
Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: _____
Jean Mc Donald

By: Jay N. Hill
Jay N. Hill

EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)



BASIS OF BEARINGS:

The Bearing of N. 00°48'00" W. along the east section line of section 13, T.3S., R.9E., M.D.B.&M. (Center Line Claus Road) as shown on the map of Adams colony, filed in Vol. 4, of maps at page 5. Stanislaus County Records.

LEGEND

Property to be annexed

ANNEXATION MAP No. 12 OF

COMMUNITY FACILITIES DISTRICT No. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO | COUNTY OF STANISLAUS | STATE OF CALIFORNIA

Owens Design Consultants
2200 McHenry Avenue, Suite C
Modesto, CA. 95350
(209) 522-4033 FAX: (209) 522-4736

MARCH 2006

SHEET 2 OF 4

David G. Graham &
Audrey A. Graham

A.P. No. 085-033-068

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number **085-033-068** (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are Ø registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: DAVID G. GRAHAM AND AUDREY A. GRAHAM, HUSBAND AND WIFE, AS JOINT TENANTS.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____ _____; the name and address of the Trustee thereunder is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate BRIAN K. VELTHOEN as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 300 BANNER COURT, SUITE A, MODESTO, CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5-22-06, 2006

LANDOWNER: David G. Graham and Audrey A. Graham, husband and wife, as Joint Tenants

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: (Deceased)
David. G. Graham

By: Audrey A. Graham
Audrey A. Graham

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2006-228 (the "Resolution") to annex certain territory (Annexation No. 12) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2006

_____, a California
_____ ("Lender")

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

EXHIBIT A

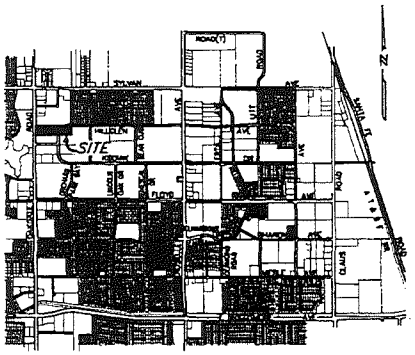
ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3421 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 529-7450



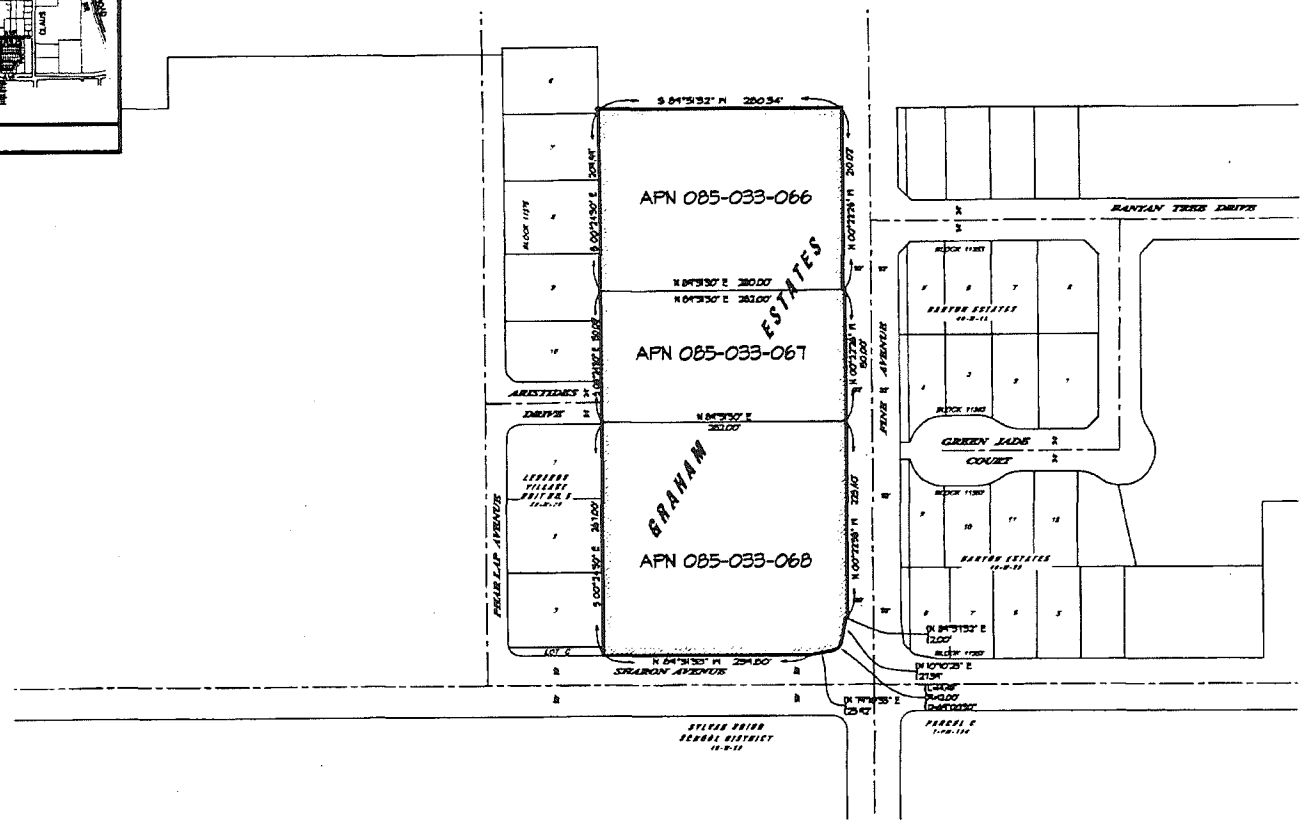
VICINITY MAP
(NO SCALE)

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE: 1" = 80'



SHEET 3 OF 4 SHEETS

K:\ACTIVE PROJECTS 2004\05-Fultz-Hilton\05-1\ACP-ANEX1.dwg Sat, Mar 18, 2006 3:13pm T-Pipe

Susan E. Regnerus and
Rodney E. Regnerus

A.P. No. 085-003-067

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number **085-033-067** (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 6 registered voters residing on the Property. (2307 Fine Ave)

4. Landowners further certify that title to the Property is held as follows: Susan E. Regnerus and Rodney E. Regnerus, husband and wife, as Joint Tenants.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Brian K. Veltmoen as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 300 Banner Court, Suite A, Modesto CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5/23, 2006

LANDOWNER: Susan E. Regnerus and Rodney E. Regnerus, husband and wife, as Joint Tenants

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

By: Susan E. Regnerus
Susan E. Regnerus

By: Rodney E. Regnerus
Rodney E. Regnerus

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2006-228 (the "Resolution") to annex certain territory (Annexation No. 12) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2006

_____, a California
_____ ("Lender")

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

EXHIBIT A

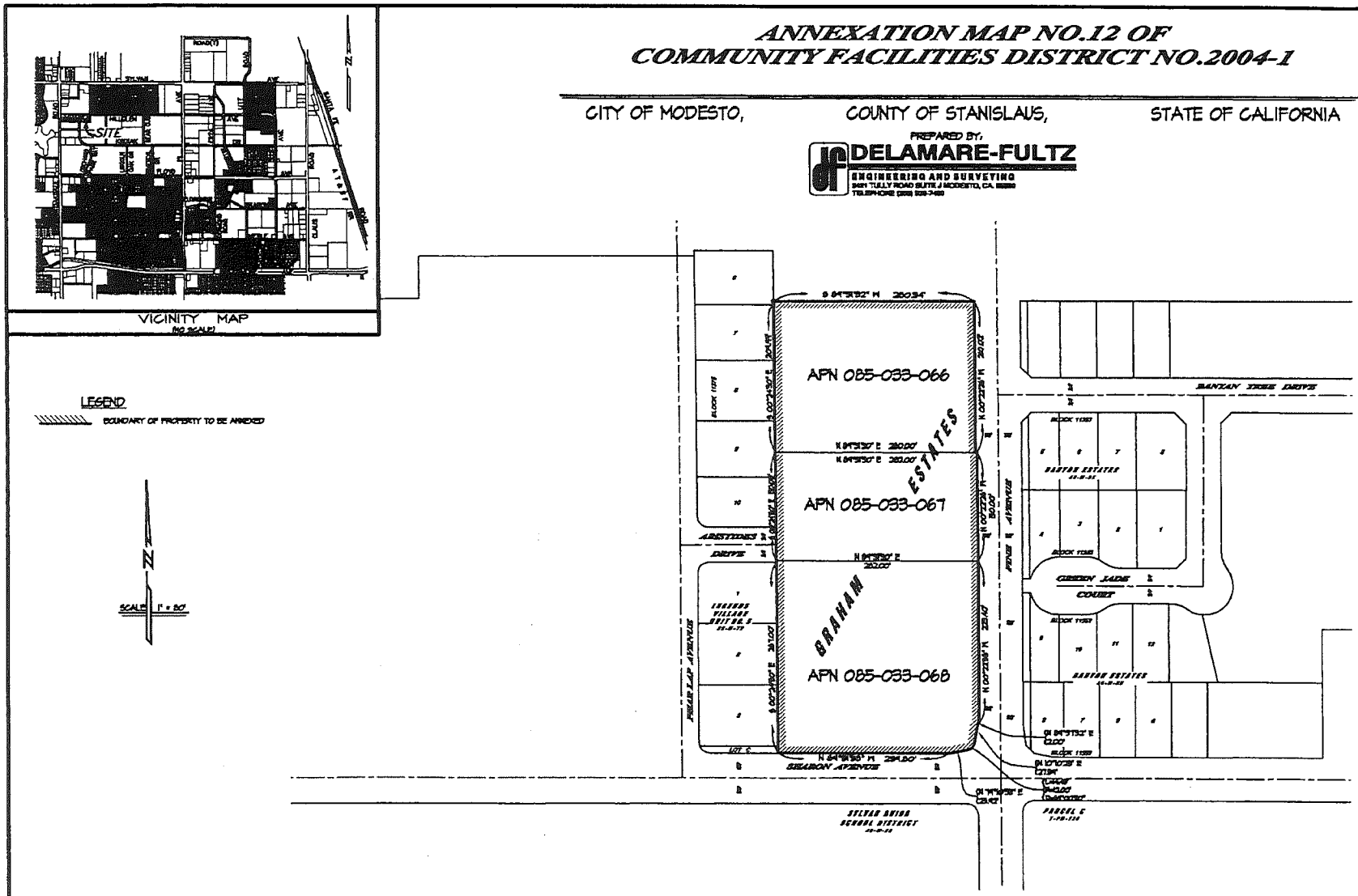
ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:

DELAMARE-FULTZ
ENGINEERING AND SURVEYING
3401 TULLY ROAD SUITE J MODESTO, CA. 95350
TELEPHONE (209) 526-7400



SHEET 3 OF 4 SHEETS

Susan Elaine Regnerus

A.P. No. 085-033-066

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 12

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number **085-033-066** (the "Property") being land proposed to be annexed, as Annexation No. 12, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-228 (the "Resolution of Intention to Annex"), adopted on April 25, 2006. The land proposed to be annexed to the District as Annexation No. 12 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 6 registered voters residing on the Property. (2313 Fine Ave)

4. Landowners further certify that title to the Property is held as follows: Susan Elaine Regnerus, Trustee of The Billie Charles Holloman 2002 Revocable Living Trust.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____; the name and address of the Trustee thereunder is: _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Brian K. Veltmorn as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 300 Banner Court, Suite A, Modesto CA 95356.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 5/23, 2006

LANDOWNER: Susan Elaine Regnerus, Trustee of The Billie Charles Holloman 2002 Revocable Living Trust

By: Susan Elaine Regnerus
Susan Elaine Regnerus

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

SF1 1402515v2 47922/29

ACKNOWLEDGEMENT AND CONSENT OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2006-228 (the "Resolution") to annex certain territory (Annexation No. 12) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: _____, 2006

_____, a California
_____ ("Lender")

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Requirements
•*Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
•*Partnership:* Signature of one partner
•*Sole Proprietorship:* Signature of proprietor

EXHIBIT A

ANNEXATION NO. 12 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

ANNEXATION MAP NO.12 OF COMMUNITY FACILITIES DISTRICT NO.2004-1

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

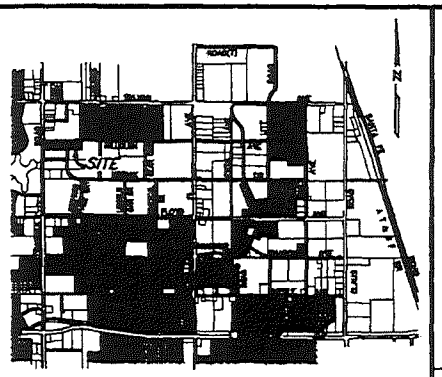
PREPARED BY:

DELAMARE-FULTZ

ENGINEERING AND SURVEYING

3401 TULLY ROAD SUITE J MODESTO, CA 95350

TELEPHONE (209) 526-7333



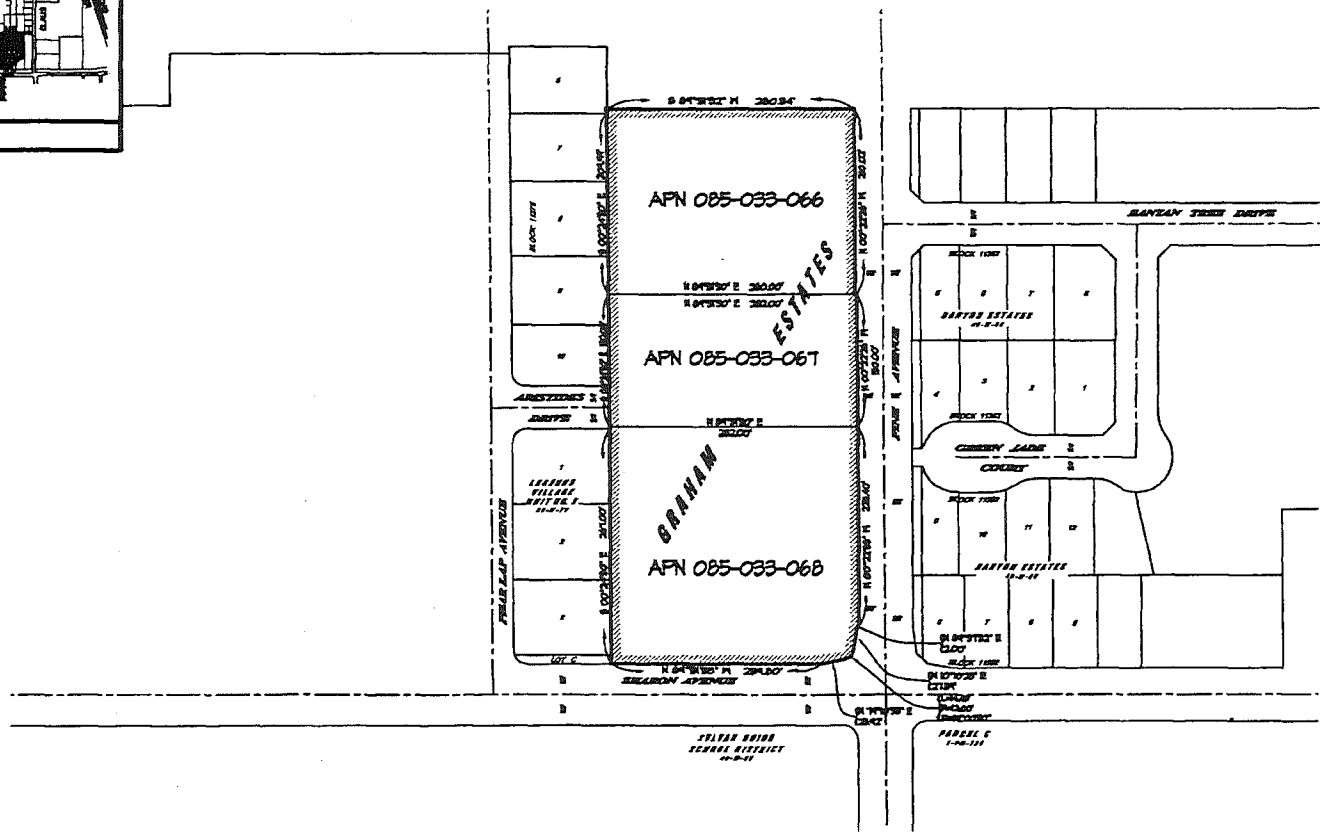
VICINITY MAP

LEGEND

BOUNDARY OF PROPERTY TO BE ANNEXED

N

SCALE 1" = 80'



SHEET 3 OF 4 SHEETS

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Morris, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 12)," adopted by the City Council of the City of Modesto on April 25, 2006, I am the designated election official to conduct the special election described in that Resolution.

3. On May 31, 2006, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 12. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN MORRIS, CITY CLERK

Signature: Jean Morris

Date of Execution: May 31, 2006

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Peter A. Reece, Sr. and Charlene M. Reece, husband and wife, as Community Property, as to an undivided ¼ interest; Joseph L. Pimentel Jr. and Sheryl K. Pimentel, husband and wife, as Community Property, as to an undivided ¼ interest; Stephen D. Hughes and Kathleen Hughes, husband and wife, as Community Property, as to an undivided ½ interest.	Stephen Hughes 6932 Arrowhead Drive Riverbank, CA 95367	1	4
Sylvia Magaddino, Trustee of the Magaddino Marital Trust	Scott Montilla 627-A Bitritto Court Modesto, CA 95356	2	10
Susan Elaine Regnerus, Trustee of the Billie Charles Holloman 2002 Revocable Living Trust	Brian K. Velthoen 300 Banner Court, Suite A Modesto, CA 95356	3	2
Susan E. Regnerus and Rodney E. Regnerus, husband and wife as Joint Tenants	Brian K. Velthoen 300 Banner Court, Suite A Modesto, CA 95356	4	1
David G. Graham and Audrey A. Graham, husband and wife, as Joint Tenants	Brian K. Velthoen 300 Banner Court, Suite A Modesto, CA 95356	5	2
Jean Mc Donald and Jay N. Hill, Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust; Jay N. Hill and Jean Mc Donald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust; Jay N. Hill, Jean Mc Donald; Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill according to the terms of the Verna L. Hill 1996 Revocable Living Trust; and Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill Testamentary Trust, as their interest may appear of record by Deeds Instruments 2001-78445 and 2001-78446 July 12, 2001	Scott Montilla 627-A Bitritto Court Modesto, CA 95356	6	8

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-379

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 12)

WHEREAS, this Council did, on April 25, 2006, adopt its Resolution No. 2006-228 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004, create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1; and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 12 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on April 26, 2006, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 42; and

WHEREAS, at the time and date set for the hearing (June 13, 2006) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for

Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as Exhibit A.

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 13th day of June 2006. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is 8:00 p.m., Pacific Time, provided that if all qualified electors have voted prior to such time, the election shall be closed upon the receipt of all of the ballots.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter order the annexation of the Annexed Territory to the District and levy the

District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681), and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 13th day of June 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

___% OF LAND IN TERRITORY PROPOSED TO BE ANNEXED TO DISTRICT
NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

__% of land in territory proposed to be annexed to District
THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

Minutes

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Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 13, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Michael Douglass, Advancing Vibrant Communities

Mayor Ridenour introduced Susana Alcala Wood as the new City Attorney

City Clerk's Announcements: Item 14 removed from Consent.
Item 19 deferred to June 27, 2006 City Council meeting.

Declaration of Conflicts of Interest: None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Acknowledge receipt of awards from the California Society of Municipal Finance Officers (CSMFO) for the city's financial statements, budgets and informational pamphlet.
Finance; Wayne Padilla, 577-5371, wpadilla@modestogov.com

ACTION: Presentation given by Wayne Padilla, Finance Director

MISCELLANEOUS
Legislation
Appointments
Other

2. Consider approving the Economic Development's recommendations for the following appointments:

Airport Advisory Committee

· Joseph R. Trevena, with a term expiration of January 1, 2008

Board of Building Appeals
· Ronald D. Jeske, with a term expiration of January 1, 2008

Citizens Advisory Committee on Recycling
· Dorothy S. Griggs, with a term expiration of January 1, 2008

Citizens Housing & Community Development
· Michael Pratt, with a term expiration of January 1, 2009

Community Qualities Forum
· Anthony Gonsalves, northeast resident, with a term expiration of January 1, 2007
· Christina Macillus, southeast resident, with a term expiration of January 1, 2010
· Fred Hawkins, northwest resident, with a term expiration of January 1, 2010
· Dennis Sevilla, southwest resident, with a term expiration of January 1, 2010

Culture Commission
· Cleo Griffin, with a term expiration of January 1, 2007
· Brian Haddix, with a term expiration of January 1, 2010

Equal Opportunity/Disability Commission
· Prerak Shah, with a term expiration of January 1, 2008
· Greg Dub, with a term expiration of January 1, 2009
· Bruce Merchant, with a term expiration of January 1, 2011

Equal Opportunity/Disability Commission & Human Relations Commission
· Joe Rocha Jr., with a term expiration of January 1, 2011 (serving jointly)

Golf Courses Advisory Committee
· Sarah Jeppson, with a term expiration of January 1, 2009
· Ronald D. Jeske, with a term expiration of January 1, 2010

Landmark Preservation Commission
· Tom Hallinan, with a term expiration of January 1, 2010

· Resolutions approving appointments recommended
City Manager's Office; George Britton, 577-5405, gbritton@modestogov.com

ACTION: Resolution 2006-353 (Marsh/Olsen; unan.) appointing Joseph R. Tevena to the Airport Advisory Committee with a term expiration of January 1, 2008.

ACTION: Resolution 2006-354 (Marsh/Olsen; unan.) appointing Ronald D. Jeske to the Board of Building Appeals with a term expiration of January 1, 2008.

ACTION: Resolution 2006-355 (Marsh/Olsen; unan.) appointing Dorothy S. Griggs to the Citizens Advisory Committee on Recycling with a term expiration of January 1, 2008.

ACTION: Resolution 2006-356 (Marsh/Olsen; unan.) appointing Michael Pratt to the Citizens Housing and Community Development with a term expiration of January 1, 2009.

ACTION: Resolution 2006-357 (Marsh/Olsen; unan.) appointing Anthony Gonsalves, northeast resident, with a term expiration of January 1, 2007, Christina Macillus, southeast resident, with a term expiration of January 1, 2010; Fred Hawkins, northwest resident, with a term expiration of January 1, 2010; and Dennis Sevilla, southwest resident, with a term expiration of January 1, 2010 to the Community Qualities Forum.

ACTION: Resolution 2006-358 (Marsh/Olsen; unan) appointing Cleo Griffin, with a

term expiration of January 1, 2007 and Brian Haddix, with a term expiration of January 1, 2010 to the Culture Commission.

ACTION: Resolution 2006-359 (Marsh/Olsen; unan) appointing Prerak Shah, with a term expiration of January 1, 2008; Greg Dub, with a term expiration of January 1, 2009; and Bruce Merchant, with a term expiration of January 1, 2011 to the Equal Opportunity/Disability Commission and appointing Joe Rocha Jr., to the Equal Opportunity/Disability & Human Relations Commission with a term expiration of January 1, 2001 (serving jointly).

ACTION: Resolution 2006-360 (Marsh/Olsen; unan) appointing Sarah Jeppson, with a term expiration of January 1, 2009 and Ronald D. Jeske, with a term expiration of January 1, 2010 to the Golf Courses Advisory Committee.

ACTION: Resolution 2006-361 (Marsh/Olsen; unan) appointing Tom Hallinan to the Landmark Preservation Commission with a term expiration of January 1, 2010.

3. Consider accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment
· Resolution accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment recommended.
City Manager's Office; George Britton, 577-5405, gbritton@modestogov.com

ACTION: Resolution 2006-362 (Olsen/Hawn; unan;) accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment.

ORAL COMMUNICATIONS

· Rich Rudnansky, Interim City Attorney thanked the Council for the opportunity to serve the City for the past six months.

· Councilmember Dunbar, North Modesto Kiwanis Club member announced the American Graffiti Car Show and Festival and presented the Councilmembers and Mayor with T Shirts.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 18

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of June 6, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) approving the Minutes of June 6, 2006.

CONSENT
5. Consider approving changes to the Congestion Mitigation Air Quality (CMAQ) funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14 and amending the 2005-2006 annual budget to reflect these changes.
· Resolution approving changes to the Congestion Mitigation Air Quality funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14 recommended.

· Resolution amending the 2005-2006 annual budget recommended.
City Manager's Office; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2006-363 (Hawn/Keating; unan) approving changes to the Congestion Mitigation Air Quality funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14.

ACTION: Resolution 2006-364 (Hawn/Keating; unan) amending the 2005-2006 annual budget.

CONSENT
6. Consider introducing an Ordinance amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager.
· Motion introducing an Ordinance amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager recommended.
City Manager's Office; Judith Ray, 571-5809, jray@modestogov.com

ACTION: By Motion (Hawn/Keating; unan) **introduced Ordinance 3415-C.S.** amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager.

CONSENT
7. Consider awarding a professional contract to Cooperative Personnel Services (CPS) for classification and compensation services in an amount not to exceed $40,135.
· Resolution awarding a professional contract in an amount not to exceed $40,135 to Cooperative Personnel Services (CPS) for classification and compensation services and authorizing the City Manager, or designee, to execute the contract recommended.
· Resolution amending the FY 2005-06 budget to appropriate $20,135 from the General Fund reserve to fully fund the contract recommended.
City Manager's Office; Judith Ray, (209) 571-5809, jray@modestogov.com

ACTION: Resolution 2006-365 (Hawn/Keating; unan) awarding a professional contract in an amount not to exceed $40,135 to Cooperative Personnel Services (CPS) for classification and compensation services and authorizing the City Manager, or designee, to execute the contract.

ACTION: Resolution 2006-366 (Hawn/Keating; unan) amending the FY 2005-06 budget to appropriate $20,135 from the General Fund reserve to fully fund the contract.

CONSENT
8. Consider approving the Fourth Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment.
· Resolution approving the Fourth Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment recommended.
Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 2006-367 (Hawn/Keating; unan) approving the Fourth

Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment.

CONSENT
9. Consider establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation.
· Resolution establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-368 (Hawn/Keating; unan) establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation.

CONSENT
10. Consider approving a Standard Agreement for Consultant Services for Consultant Services with Robert Sarhad Investigations.
· Resolution approving the use and execution of the City's Standard Agreement for Consultant Services with the private investigations firm of Robert Sarhad Investigations with respect to administrative investigations recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2006-369 (Hawn/Keating; unan) approving the use and execution of the City's Standard Agreement for Consultant Services with the private investigations firm of Robert Sarhad Investigations with respect to administrative investigations.

CONSENT
11. Consider approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant.
· Resolution approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the 2005/06 and 2006/07 Police Department budgets, allocating multi-year appropriations and revenue of $20,000 to fund Modesto Police Officer and/or Sergeant overtime for the Department of California Highway Patrol Pedestrian Safety Project Grant recommended..
Police Department; Roy W. Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2006-370 (Hawn/Keating; unan) approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-371 (Hawn/Keating; unan) amending the 2005/06 and 2006/07 Police Department budgets, allocating multi-year appropriations and revenue of $20,000 to fund Modesto Police Officer and/or Sergeant overtime for the Department of California Highway Patrol Pedestrian Safety Project Grant.

CONSENT
12. Consider amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective
· Motion amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective recommended.
· Resolution amending the 2006/07 Fiscal Year Budget to appropriate $14,950 in 0100-190-1901-0110 and $9,700 in 0100-190-1941-0110 from the General Fund Reserves recommended.
Police Department; Roy W. Wasden, 572-9503, wasdenr@modestopd.com

ACTION: By Motion (Hawn/Keating; unan) amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective.

ACTION: Resolution 2006-372 (Hawn/Keating; unan) amending the 2006/07 Fiscal Year Budget to appropriate $14,950 in 0100-190-1901-0110 and $9,700 in 0100-190-1941-0110 from the General Fund Reserves.

CONSENT
13. Consider accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control
· Resolution accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control to reduce crime and excessive calls for service in and around Stanislaus County's disorderly and disruptive ABC licensed establishments and to reduce sales of alcohol to minors, and authorizing the City Manager, or his designee, to execute the necessary documents recommended.
· Resolution amending the fiscal year 2006/2007 operating budget estimating revenue of $125,000 and appropriating funds recommended.
Police; Mike Hicks, 342-6132, hicksm@modestopd.com

ACTION: Resolution 2006-373 (Hawn/Keating; unan) accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control to reduce crime and excessive calls for service in and around Stanislaus County's disorderly and disruptive ABC licensed establishments and to reduce sales of alcohol to minors, and authorizing the City Manager, or his designee, to execute the necessary documents.

ACTION: Resolution 2006-374 (Hawn/Keating; unan) amending the fiscal year 2006/2007 operating budget estimating revenue of $125,000 and appropriating funds.

REMOVED FROM CONSENT
14. Consider approving an agreement with Carollo Engineers in an amount not to exceed $126,100 for consultant services to assist in the preparation of a Preliminary Design Report and development of a Request for Proposals (RFP) for a digester gas fired cogeneration unit at the Primary Wastewater Treatment Plant and authorizing the City Manager, or his designee, to execute the agreement.
· Resolution approving an agreement with Carollo Engineers in an amount not to exceed $126,100 for consultant services to assist in the preparation of a Preliminary Design Report and development of a Request for Proposals (RFP) for a digester gas fired cogeneration unit at the Primary Wastewater Treatment Plant and authorizing the City Manager, or his designee, to execute the agreement recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: By motion (Dunbar/Olsen; unan.) returned to the Economic Development

Committee.

CONSENT
15. Consider authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP).
· Resolution authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP) recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2006-375 (Hawn/Keating; unan) authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP).

CONSENT
16. Consider accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods (Owner: JOHN J. MACHADO AND JUDY A. MACHADO, Co-Trustees of the Machado Family Trust Agreement, U/D/T).
· Resolution accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-376 (Hawn/Keating; unan) accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
17. Consider authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project.
· Resolution authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-377 (Hawn/Keating; unan) authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project.

CONSENT
18. Consider accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford.
· Resolution accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2006-378 (Hawn/Keating; unan) accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford.

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

This item was also considered at the May 9 and May 23, 2006 meetings. Recommended to be heard at the June 27, 2006 Council meeting.
19. Consider Outside Service Agreement to the Beard Industrial District and supporting the condition requiring the waiver of the right to protest annexation (Joseph Mackil).
· Motion acknowledging staff report and discussion relating to the Outside Service Agreement to the Beard Industrial District and supporting the condition requiring the waiver of the right to protest annexation recommended.
Public Works; Nick Pinhey, 577-5205, npinhey@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) this matter was deferred to the June 27, 2006 City Council meeting.

HEARINGS

This item was published in the Modesto Bee on June 3, 2006
20. Hearing to consider the Annexation of Additional Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12).
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-379 (Hawn/Dunbar; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12).

ACTION: Resolution 2006-380 (Hawn/Dunbar; unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

NEW BUSINESS

21. Consider development of 1029 Ninth Street (former Everett & Jones Restaurant Site).
· Resolution directing Staff to:
o Contract with a firm to prepare a feasibility study, at a cost of approximately $25,000, for development of 1029 Ninth Street and adjoining portions of the Transportation Center.
o Return to the Council with recommendations based on the completed study.
o Construct a temporary parking lot at the 1029 9th St. site at a cost of approximately $35,000, with an expected life span of approximately three years.
o Combine the temporary lot with the lot previously used exclusively for the

restaurant and make all 48 spaces available to the general public at the same price the City's parking garages charge (currently $40 per month).
o Use insurance settlement funds from the fire that burned the restaurant at 1029 Ninth St. to implement Items 1 and 3 above.
o Set aside the remainder of the insurance settlement funds to support the new bus maintenance facility project (CIP Project B911) recommended.
Public Works; Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: By motion (Dunbar/Keating; majority Hawn and Marsh no.) directed the Transportation and Redevelopment staff to design elements for the property and return to Council within 90 days with an RFI.

ACTION: By motion (Dunbar/O'Bryant; majority Hawn and Marsh no) approve items 3 and 4 as recommended. Construct a temporary parking lot at the 1029 9th St. site at a cost of approximately $35,000, with an expected life span of approximately three years. Combine the temporary lot with the lot previously used exclusively for the restaurant and make all 48 spaces available to the general public at the same price the City's parking garages charge (currently $40 per month).

ACTION: By motion (Dunbar/Hawn; unan.) approved the use of the insurance settlement funds for the parking lot only. The Council will evaluate any other use of the insurance settlement funds after the project is further developed.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

7:25 p.m.

CLOSED SESSION

Closed session heard prior to the meeting.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS:
(Pursuant to Government Code Section 54956.8)

Property: Acquisition of portions of two parcels at the intersection of Floyd Avenue and Roselle

APN: 085-050-007 (portion)
APN: 085-050-008 (portion)

Joan L. Whitacre, Trustee of the Whitacre Family 1993 Family Trust, Owner

Negotiating Parties: Bruce Whitacre, for Owner
Steve Long, Overland, Pacific & Cutler, Inc. for the City of Modesto

Under Negotiation: Price and terms of sale of property.

Closed session heard prior to the meeting.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
(Pursuant to Section 54957 of the Government Code)

Title: Interim City Attorney

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 4
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 1

THIS BALLOT HAS A VALUE OF 4 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Stephen Hughes**, certify as follows:

(1) I am the Authorized Representative of **Peter A. Reece, Sr. and Charlene M. Reece, husband and wife, as Community Property, as to an undivided ¼ interest, Joseph L. Pimentel Jr. and Sheryl K. Pimentel, husband and wife, as Community Property, as to an undivided ¼ interest; Stephen D. Hughes and Kathleen Hughes, husband and wife, as Community Property, as to an undivided ½ interest**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **085-001-026** (the "Parcel"), which comprises approximately **3.219** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on JUNE 12, 2006 at 6932 ARROWWOOD DRIVE RIVERBANK, CA 95367.

Signature of Authorized Representative (Voter)

6932 ARROWWOOD DRIVE
RIVERBANK, CA 95367

Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 2

06 JUN -5 AM 8:47

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 10
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 2

THIS BALLOT HAS A VALUE OF 10 VOTES

AUTHORIZATION
(BALLOT NO. 2)

06 JUN -5 AM 8:49

I, **Scott Montilla**, certify as follows:

(1) I am the Authorized Representative of **Sylvia Magaddino, Trustee of the Magaddino Marital Trust**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **077-009-025** (the "Parcel"), which comprises approximately **9.630** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on JUNE 1, 2006 at MODESTO, CA.

Signature of Authorized Representative (Voter)

PACIFIC PRIDE COMMUNITIES
627-A BITRITTO COURT
MODESTO, CA 95356
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 3

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 3

THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 3)

I, **Brian K. Velthoen**, certify as follows:

(1) I am the Authorized Representative of **Susan Elaine Regnerus, Trustee of the Billie Charles Holloman 2002 Revocable Living Trust**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **085-033-066** (the "Parcel"), which comprises approximately **1.350** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on June 1, 2006 at 300 Power Ct Modesto, CA.

Brian K Velthoen
Signature of Authorized Representative (Voter)

300 Power Ct
Suite 1
Modesto CA
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 4

06 JUN -8 AM 9:40

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 1
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 4

THIS BALLOT HAS A VALUE OF 1 VOTE

AUTHORIZATION
(BALLOT NO. 4)

I, **Brian K. Velthoen**, certify as follows:

(1) I am the Authorized Representative of **Susan E. Regnerus and Rodney E. Regnerus, husband and wife as Joint Tenants**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **085-033-067** (the "Parcel"), which comprises approximately **0.970** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on June 1, 2006 at 300 Banner Ct Modesto, CA.

Brian K Velthoen
Signature of Authorized Representative (Voter)

300 Banner Ct
Suite 1
Modesto 95356
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 5

CITY OF MODESTO

COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 5

THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 5)

I, **Brian K. Velthoen**, certify as follows:

(1) I am the Authorized Representative of **David G. Graham and Audrey A. Graham, husband and wife, as Joint Tenants**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **085-033-068** (the "Parcel"), which comprises approximately **1.710** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on June 1, 2006 at Modesto, _____.

Brian K Velthoen
Signature of Authorized Representative (Voter)

300 Beaver Ct
Suite 1
Modesto CA 95356
Address of Authorized Representative (Voter)

OFFICIAL BALLOT

BALLOT NO. 6

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 12

SPECIAL TAX ELECTION

June 13, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 8
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 6

THIS BALLOT HAS A VALUE OF 8 VOTES

AUTHORIZATION
(BALLOT NO. 6)

MODESTO CITY CLERK

06 JUN -5 AM 8:49

I, **Scott Montilla**, certify as follows:

(1) I am the Authorized Representative of **Jean McDonald and Jay N. Hill Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust; Jay N. Hill and Jean McDonald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust; Jay N. Hill, Jean McDonald; Jean McDonald and Jay N. Hill, Co-Trustees for Wayne M. Hill according to the terms of the Verna L. Hill 1996 Revocable Living Trust; and Jay N. Hill and Jean McDonald, Co-Trustees for Wayne M. Hill according to the terms of the Nelson John Hill Testamentary Trust, as their interest may appear of record by Deed Instruments 2001-78445 and 2001-78446 July 12, 2001**, (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 12 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **085-003-057** (the "Parcel"), which comprises approximately **7.870** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on JUNE 1, 2006 at MODESTO, CA.

Signature of Authorized Representative (Voter)

PACIFIC PRIDE COMMUNITIES
627-A BITRITO CT.
MODESTO, CA 95356
Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-380

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE JUNE 13, 2006, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 12)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted on April 25, 2006, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2"), create Tax Zone #2 within the District; and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2; and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2006-379, adopted on June 13, 2006, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for June 13, 2006, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on June 13, 2006, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owner or owners of the territory proposed to be annexed are as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is attached.

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2006-228 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 13th day of June 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN MORRIS, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2006-379, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 12) adopted on April 25, 2006, by the City Council of the City of Modesto, I did conduct the Special Tax Election on June 13, 2006, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-228, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 12)" adopted by the City Council of the City of Modesto on April 25, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 27 NO 0

Jean Morris

Jean Morris
City Clerk of the City of Modesto

Dated: 6/21, 2006

City Clerk's Office

Minutes

City Council Chambers,
Basement Level
Tenth Street Place, 1010
Tenth Street, Modesto,
California

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, June 13, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Michael Douglass, Advancing Vibrant Communities

Mayor Ridenour introduced Susana Alcala Wood as the new City Attorney

City Clerk's Announcements: Item 14 removed from Consent.
Item 19 deferred to June 27, 2006 City Council meeting.

Declaration of Conflicts of Interest: None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Acknowledge receipt of awards from the California Society of Municipal Finance Officers (CSMFO) for the city's financial statements, budgets and informational pamphlet.
Finance; Wayne Padilla, 577-5371, wpadilla@modestogov.com

ACTION: Presentation given by Wayne Padilla, Finance Director

MISCELLANEOUS
Legislation
Appointments
Other

2. Consider approving the Economic Development's recommendations for the following appointments:

Airport Advisory Committee

· Joseph R. Trevena, with a term expiration of January 1, 2008

Board of Building Appeals
· Ronald D. Jeske, with a term expiration of January 1, 2008

Citizens Advisory Committee on Recycling
· Dorothy S. Griggs, with a term expiration of January 1, 2008

Citizens Housing & Community Development
· Michael Pratt, with a term expiration of January 1, 2009

Community Qualities Forum
· Anthony Gonsalves, northeast resident, with a term expiration of January 1, 2007
· Christina Macillus, southeast resident, with a term expiration of January 1, 2010
· Fred Hawkins, northwest resident, with a term expiration of January 1, 2010
· Dennis Sevilla, southwest resident, with a term expiration of January 1, 2010

Culture Commission
· Cleo Griffin, with a term expiration of January 1, 2007
· Brian Haddix, with a term expiration of January 1, 2010

Equal Opportunity/Disability Commission
· Prerak Shah, with a term expiration of January 1, 2008
· Greg Dub, with a term expiration of January 1, 2009
· Bruce Merchant, with a term expiration of January 1, 2011

Equal Opportunity/Disability Commission & Human Relations Commission
· Joe Rocha Jr., with a term expiration of January 1, 2011 (serving jointly)

Golf Courses Advisory Committee
· Sarah Jeppson, with a term expiration of January 1, 2009
· Ronald D. Jeske, with a term expiration of January 1, 2010

Landmark Preservation Commission
· Tom Hallinan, with a term expiration of January 1, 2010

· Resolutions approving appointments recommended
City Manager's Office; George Britton, 577-5405, gbritton@modestogov.com

ACTION: Resolution 2006-353 (Marsh/Olsen; unan.) appointing Joseph R. Tevena to the Airport Advisory Committee with a term expiration of January 1, 2008.

ACTION: Resolution 2006-354 (Marsh/Olsen; unan.) appointing Ronald D. Jeske to the Board of Building Appeals with a term expiration of January 1, 2008.

ACTION: Resolution 2006-355 (Marsh/Olsen; unan.) appointing Dorothy S. Griggs to the Citizens Advisory Committee on Recycling with a term expiration of January 1, 2008.

ACTION: Resolution 2006-356 (Marsh/Olsen; unan.) appointing Michael Pratt to the Citizens Housing and Community Development with a term expiration of January 1, 2009.

ACTION: Resolution 2006-357 (Marsh/Olsen; unan.) appointing Anthony Gonsalves, northeast resident, with a term expiration of January 1, 2007, Christina Macillus, southeast resident, with a term expiration of January 1, 2010; Fred Hawkins, northwest resident, with a term expiration of January 1, 2010; and Dennis Sevilla, southwest resident, with a term expiration of January 1, 2010 to the Community Qualities Forum.

ACTION: Resolution 2006-358 (Marsh/Olsen; unan) appointing Cleo Griffin, with a

term expiration of January 1, 2007 and Brian Haddix, with a term expiration of January 1, 2010 to the Culture Commission.

ACTION: Resolution 2006-359 (Marsh/Olsen; unan) appointing Prerak Shah, with a term expiration of January 1, 2008; Greg Dub, with a term expiration of January 1, 2009; and Bruce Merchant, with a term expiration of January 1, 2011 to the Equal Opportunity/Disability Commission and appointing Joe Rocha Jr., to the Equal Opportunity/Disability & Human Relations Commission with a term expiration of January 1, 2001 (serving jointly).

ACTION: Resolution 2006-360 (Marsh/Olsen; unan) appointing Sarah Jeppson, with a term expiration of January 1, 2009 and Ronald D. Jeske, with a term expiration of January 1, 2010 to the Golf Courses Advisory Committee.

ACTION: Resolution 2006-361 (Marsh/Olsen; unan) appointing Tom Hallinan to the Landmark Preservation Commission with a term expiration of January 1, 2010.

3. Consider accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment
· Resolution accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment recommended.
City Manager's Office; George Britton, 577-5405, gbritton@modestogov.com

ACTION: Resolution 2006-362 (Olsen/Hawn; unan;) accepting with regret the resignation of William Scroggins from the Board of Zoning Adjustment.

ORAL COMMUNICATIONS

· Rich Rudnansky, Interim City Attorney thanked the Council for the opportunity to serve the City for the past six months.

· Councilmember Dunbar, North Modesto Kiwanis Club member announced the American Graffiti Car Show and Festival and presented the Councilmembers and Mayor with T Shirts.

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 4 through 18

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of June 6, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Hawn/Keating; unan.) approving the Minutes of June 6, 2006.

CONSENT
5. Consider approving changes to the Congestion Mitigation Air Quality (CMAQ) funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14 and amending the 2005-2006 annual budget to reflect these changes.
· Resolution approving changes to the Congestion Mitigation Air Quality funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14 recommended.

· Resolution amending the 2005-2006 annual budget recommended.
City Manager's Office; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2006-363 (Hawn/Keating; unan) approving changes to the Congestion Mitigation Air Quality funding for City of Modesto projects in the 2004 Federal Transportation Improvement Program as constituted in Amendment #14.

ACTION: Resolution 2006-364 (Hawn/Keating; unan) amending the 2005-2006 annual budget.

CONSENT
6. Consider introducing an Ordinance amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager.
· Motion introducing an Ordinance amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager recommended.
City Manager's Office; Judith Ray, 571-5809, jray@modestogov.com

ACTION: By Motion (Hawn/Keating; unan) **introduced Ordinance 3415-C.S.** amending Sections 8-3.202, 8-3.203, 8-3.204, 8-3.207, and 8-3.208 of Article 2 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to Central Purchasing - changing the name of Purchasing Supervisor to Purchasing Manager.

CONSENT
7. Consider awarding a professional contract to Cooperative Personnel Services (CPS) for classification and compensation services in an amount not to exceed $40,135.
· Resolution awarding a professional contract in an amount not to exceed $40,135 to Cooperative Personnel Services (CPS) for classification and compensation services and authorizing the City Manager, or designee, to execute the contract recommended.
· Resolution amending the FY 2005-06 budget to appropriate $20,135 from the General Fund reserve to fully fund the contract recommended.
City Manager's Office; Judith Ray, (209) 571-5809, jray@modestogov.com

ACTION: Resolution 2006-365 (Hawn/Keating; unan) awarding a professional contract in an amount not to exceed $40,135 to Cooperative Personnel Services (CPS) for classification and compensation services and authorizing the City Manager, or designee, to execute the contract.

ACTION: Resolution 2006-366 (Hawn/Keating; unan) amending the FY 2005-06 budget to appropriate $20,135 from the General Fund reserve to fully fund the contract.

CONSENT
8. Consider approving the Fourth Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment.
· Resolution approving the Fourth Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment recommended.
Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 2006-367 (Hawn/Keating; unan) approving the Fourth

Amendment to Standard Consultant Agreement with Micahlynn Rivera, Web Consultant for Community & Economic Development Dept., in an amount not to exceed $55,000; and authorize the City Manager to execute said Amendment.

CONSENT
9. Consider establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation.
· Resolution establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation recommended.
Finance; Gail Bailey, 577-5378, gbailey@modestogov.com

ACTION: Resolution 2006-368 (Hawn/Keating; unan) establishing the 2006-2007 Fiscal Year Appropriation Limit, including the price and population factors to be used in the calculation.

CONSENT
10. Consider approving a Standard Agreement for Consultant Services for Consultant Services with Robert Sarhad Investigations.
· Resolution approving the use and execution of the City's Standard Agreement for Consultant Services with the private investigations firm of Robert Sarhad Investigations with respect to administrative investigations recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2006-369 (Hawn/Keating; unan) approving the use and execution of the City's Standard Agreement for Consultant Services with the private investigations firm of Robert Sarhad Investigations with respect to administrative investigations.

CONSENT
11. Consider approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant.
· Resolution approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution amending the 2005/06 and 2006/07 Police Department budgets, allocating multi-year appropriations and revenue of $20,000 to fund Modesto Police Officer and/or Sergeant overtime for the Department of California Highway Patrol Pedestrian Safety Project Grant recommended..
Police Department; Roy W. Wasden, 572-9503, wasdenr@modestopd.com

ACTION: Resolution 2006-370 (Hawn/Keating; unan) approving an Agreement with the Department of California Highway Patrol (CHP) in the amount of $20,000 for Modesto Police Officer and/or Sergeant overtime to reduce the pedestrian-involved collisions in the Modesto Police Department jurisdiction for the Pedestrian Safety Project Grant, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-371 (Hawn/Keating; unan) amending the 2005/06 and 2006/07 Police Department budgets, allocating multi-year appropriations and revenue of $20,000 to fund Modesto Police Officer and/or Sergeant overtime for the Department of California Highway Patrol Pedestrian Safety Project Grant.

CONSENT
12. Consider amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective
· Motion amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective recommended.
· Resolution amending the 2006/07 Fiscal Year Budget to appropriate $14,950 in 0100-190-1901-0110 and $9,700 in 0100-190-1941-0110 from the General Fund Reserves recommended.
Police Department; Roy W. Wasden, 572-9503, wasdenr@modestopd.com

ACTION: By Motion (Hawn/Keating; unan) amending the Police Department position allocation as adopted by the City Council as part of the 2006/07 budget to reallocate one Police Officer position in Organization 1901 to Sergeant and one Police Officer position in Organization 1941 to Detective.

ACTION: Resolution 2006-372 (Hawn/Keating; unan) amending the 2006/07 Fiscal Year Budget to appropriate $14,950 in 0100-190-1901-0110 and $9,700 in 0100-190-1941-0110 from the General Fund Reserves.

CONSENT
13. Consider accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control
· Resolution accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control to reduce crime and excessive calls for service in and around Stanislaus County's disorderly and disruptive ABC licensed establishments and to reduce sales of alcohol to minors, and authorizing the City Manager, or his designee, to execute the necessary documents recommended.
· Resolution amending the fiscal year 2006/2007 operating budget estimating revenue of $125,000 and appropriating funds recommended.
Police; Mike Hicks, 342-6132, hicksm@modestopd.com

ACTION: Resolution 2006-373 (Hawn/Keating; unan) accepting the 2006 Alcoholic Beverage Control (ABC) Grant Project in the amount of $125,000 from the State Department of Alcoholic Beverage Control to reduce crime and excessive calls for service in and around Stanislaus County's disorderly and disruptive ABC licensed establishments and to reduce sales of alcohol to minors, and authorizing the City Manager, or his designee, to execute the necessary documents.

ACTION: Resolution 2006-374 (Hawn/Keating; unan) amending the fiscal year 2006/2007 operating budget estimating revenue of $125,000 and appropriating funds.

REMOVED FROM CONSENT
14. Consider approving an agreement with Carollo Engineers in an amount not to exceed $126,100 for consultant services to assist in the preparation of a Preliminary Design Report and development of a Request for Proposals (RFP) for a digester gas fired cogeneration unit at the Primary Wastewater Treatment Plant and authorizing the City Manager, or his designee, to execute the agreement.
· Resolution approving an agreement with Carollo Engineers in an amount not to exceed $126,100 for consultant services to assist in the preparation of a Preliminary Design Report and development of a Request for Proposals (RFP) for a digester gas fired cogeneration unit at the Primary Wastewater Treatment Plant and authorizing the City Manager, or his designee, to execute the agreement recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: By motion (Dunbar/Olsen; unan.) returned to the Economic Development

Committee.

CONSENT
15. Consider authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP).
· Resolution authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP) recommended.
Public Works; Jack Bond, 577-5424, jbond@modestogov.com

ACTION: Resolution 2006-375 (Hawn/Keating; unan) authorizing the Modesto Irrigation District (MID) to execute an Agreement with Bureau Veritas (BV) in an amount not to exceed $120,000 to provide building code and safety assessment plan review services as part of the design work related to the Phase Two Expansion of the Modesto Regional Water Treatment Plant (MRWTP).

CONSENT
16. Consider accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road, and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods (Owner: JOHN J. MACHADO AND JUDY A. MACHADO, Co-Trustees of the Machado Family Trust Agreement, U/D/T).
· Resolution accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-376 (Hawn/Keating; unan) accepting the improvements for the Trails at Dry Creek Subdivision along Parker Road and authorizing the City Clerk to file a Notice of Completion and to release securities upon expiration of statutory periods.

CONSENT
17. Consider authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project.
· Resolution authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-377 (Hawn/Keating; unan) authorizing staff to proceed with a Request for Proposals and approving the proposed evaluation criteria for a design/build Water Well 226 - Arsenic Treatment project.

CONSENT
18. Consider accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford.
· Resolution accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2006-378 (Hawn/Keating; unan) accepting the Shackelford Sanitary Sewer Improvements and providing Sanitary Sewer Service for Stanislaus County outline area known as Shackelford.

COUNCIL COMMENTS & REPORTS

None

UNFINISHED BUSINESS

This item was also considered at the May 9 and May 23, 2006 meetings. Recommended to be heard at the June 27, 2006 Council meeting.
19. Consider Outside Service Agreement to the Beard Industrial District and supporting the condition requiring the waiver of the right to protest annexation (Joseph Mackil).
· Motion acknowledging staff report and discussion relating to the Outside Service Agreement to the Beard Industrial District and supporting the condition requiring the waiver of the right to protest annexation recommended.
Public Works; Nick Pinhey, 577-5205, npinhey@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) this matter was deferred to the June 27, 2006 City Council meeting.

HEARINGS

This item was published in the Modesto Bee on June 3, 2006
20. Hearing to consider the Annexation of Additional Territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12).
· Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12) recommended.
· Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
City Manager's Office, Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-379 (Hawn/Dunbar; unan.) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 12).

ACTION: Resolution 2006-380 (Hawn/Dunbar; unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

NEW BUSINESS

21. Consider development of 1029 Ninth Street (former Everett & Jones Restaurant Site).
· Resolution directing Staff to:
o Contract with a firm to prepare a feasibility study, at a cost of approximately $25,000, for development of 1029 Ninth Street and adjoining portions of the Transportation Center.
o Return to the Council with recommendations based on the completed study.
o Construct a temporary parking lot at the 1029 9th St. site at a cost of approximately $35,000, with an expected life span of approximately three years.
o Combine the temporary lot with the lot previously used exclusively for the

restaurant and make all 48 spaces available to the general public at the same price the City's parking garages charge (currently $40 per month).
o Use insurance settlement funds from the fire that burned the restaurant at 1029 Ninth St. to implement Items 1 and 3 above.
o Set aside the remainder of the insurance settlement funds to support the new bus maintenance facility project (CIP Project B911) recommended.
Public Works; Fred Cavanah, 577-5295, fcavanah@modestogov.com

ACTION: By motion (Dunbar/Keating; majority Hawn and Marsh no.) directed the Transportation and Redevelopment staff to design elements for the property and return to Council within 90 days with an RFI.

ACTION: By motion (Dunbar/O'Bryant; majority Hawn and Marsh no) approve items 3 and 4 as recommended. Construct a temporary parking lot at the 1029 9th St. site at a cost of approximately $35,000, with an expected life span of approximately three years. Combine the temporary lot with the lot previously used exclusively for the restaurant and make all 48 spaces available to the general public at the same price the City's parking garages charge (currently $40 per month).

ACTION: By motion (Dunbar/Hawn; unan.) approved the use of the insurance settlement funds for the parking lot only. The Council will evaluate any other use of the insurance settlement funds after the project is further developed.

MATTERS TOO LATE FOR THE AGENDA

None

ADJOURNMENT

7:25 p.m.

CLOSED SESSION

Closed session heard prior to the meeting.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS:
(Pursuant to Government Code Section 54956.8)

Property: Acquisition of portions of two parcels at the intersection of Floyd Avenue and Roselle

APN: 085-050-007 (portion)
APN: 085-050-008 (portion)

Joan L. Whitacre, Trustee of the Whitacre Family 1993 Family Trust, Owner

Negotiating Parties: Bruce Whitacre, for Owner
Steve Long, Overland, Pacific & Cutler, Inc. for the City of Modesto

Under Negotiation: Price and terms of sale of property.

Closed session heard prior to the meeting.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
(Pursuant to Section 54957 of the Government Code)

Title: Interim City Attorney

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2006-0090619-00
Acct 402-Counter Customers
Friday, JUN 16, 2006 14:04:01
Ttl Pd $0.00 Nbr-0002107374
OJM/R2/1-4

Recording requested by and
when recorded, please return to:

Jean Morris, City Clerk
City of Modesto
P.O. Box 642
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 12)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on June 13, 2006. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 12), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 12), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-001-026	Peter A. Reece, Sr. and Charlene M. Reece, husband and wife, as Community Property, as to an undivided ¼ interest; Joseph L. Pimentel Jr. and Sheryl K. Pimentel, husband and wife, as Community Property, as to an undivided ¼ interest; Stephen D. Hughes and Kathleen Hughes, husband and wife, as Community Property, as to an undivided ½ interest.
077-009-025	Sylvia Magaddino, Trustee of the Magaddino Marital Trust
085-033-066	Susan Elaine Regnerus, Trustee of the Billie Charles Holloman 2002 Revocable Living Trust
085-033-067	Susan E. Regnerus and Rodney E. Regnerus, husband and wife as Joint Tenants
085-033-068	David G. Graham and Audrey A. Graham, husband and wife, as Joint Tenants

085-003-057	Jean Mc Donald and Jay N. Hill, Co-Successor Trustees of the Verna L. Hill 1996 Revocable Living Trust; Jay N. Hill and Jean Mc Donald, Co-Successor Trustees of the Nelson John Hill Testamentary Trust; Jay N. Hill, Jean Mc Donald; Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill according to the terms of the Verna L. Hill 1996 Revocable Living Trust; and Jean Mc Donald and Jay N. Hill, Co-Trustees for Wayne M. Hill Testamentary Trust, as their interest may appear of record by Deeds Instruments 2001-78445 and 2001-78446 July 12, 2001

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 12 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on April 26, 2006, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 42, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: June 13, 2006

Jean Morris

Jean Morris
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 6-13-2006 before me, Esther Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Morris

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-528

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 13)

WHEREAS, pursuant to Chapter 2.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Article 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) (the "District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, pursuant to California Streets and Highways Code Section 3113.5, this Council did, by its Resolution No. 2005-566, adopted on November 9, 2005, direct that all prior

modifications, amendments and annexations to the District be consolidated into a single map of the District, specifically all prior boundary maps and amendments thereto related to formation of the District and Annexation Nos. 1 through 10 to the District, and

WHEREAS, on November 23, 2005, said boundary maps were consolidated into a single map entitled "Consolidation of Boundary Maps of Community Facilities District No. 2004-1 (Village One #2)" and recorded with the County Recorder of the County of Stanislaus at Book 4 of Maps of Assessments and Communities Facilities Districts, at Page 33 (the "Consolidated Boundary Map"), and

WHEREAS, subsequent to the recordation of the Consolidated Boundary Map, additional territory was annexed to the District through Annexations Nos. 11 and 12, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of additional certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The current boundaries of the District are shown on the Consolidated Boundary Map as supplemented by the map entitled "Annexation Map No. 11 of Community Facilities District No. 2004-1 (Village One #2)" on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 36, and the map entitled "Annexation Map No. 12 of Community Facilities District No. 2004-1 (Village One #2) on file

with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 42.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A.**

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 13 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, October 10, 2006, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests

to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 5th day of September 2006, by Councilmember Dunbar, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

EXHIBIT A

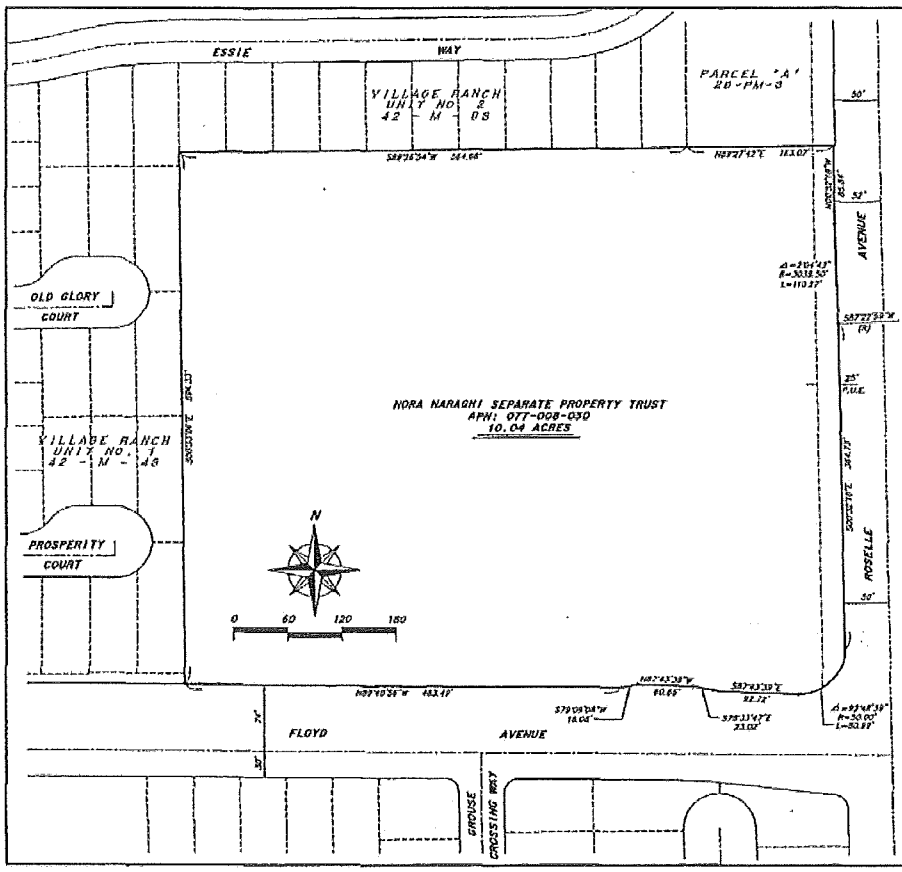
ANNEXATION NO. 13 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

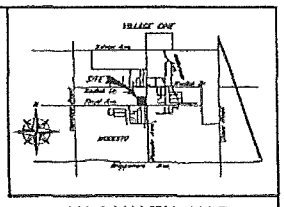
Proposed Boundary Map

EXHIBIT A

ANNEXATION NO. 13 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

Proposed Boundary Map





VICINITY MAP

ANNEXATION NO. 13

OF COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)
CITY OF MODESTO, COUNTY OF STANISLAUS,
STATE OF CALIFORNIA

Filed in the Office of the City Clerk of the City of Modesto this ____ day of _____, 20__.

JEAN MORRIS, City Clerk

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 13 to City of Modesto Community Facilities District No. 2004-1 (Village One #2) City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the ____ day of _____, 2006, by its Resolution No. 2006-____.

JEAN MORRIS, City Clerk

By: _____

Print Name

This is a map of the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) City of Modesto, County of Stanislaus, State of California, the Consolidated Boundary Map for which was recorded on November 21, 2004, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 33, in the Office of the County Recorder, of Stanislaus County, State of California.
A map of Annexation No. 11 to the District was recorded on February 8, 2006 in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 38, in that office.
A map of Annexation No. 12 to the District was recorded on April 26, 2006 in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 42, in that office.

JEAN MORRIS, City Clerk

By: _____

Print Name

Filed this ____ day of _____, 2006, at the hour of ____ o'clock ____ m. in Book ____ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDGREN, County Recorder of the County of Stanislaus State of California

By: _____

Print Name

Job No. 106163 Sheet 1 of 1 Sheet

City Clerk's Office

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MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, September 5, 2006, at 5:30 p.m.

Roll Call - Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
Absent: None

Pledge of Allegiance to the Flag

Invocation: Marvin Jacobo, Youth for Christ

Mayor Ridenour announced that all speakers will be limited to 5 minutes to make presentations due to the length of the agenda

City Clerk's Announcements - Items 10 and 30 removed from Consent

Declaration of Conflicts of Interest - None

Reports from Closed Session - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Introduction of the newly formed bargaining unit, Modesto Police Non-Sworn Association (MPNSA) by Leslie Rodriguez, President of MPNSA.

ACTION: Leslie Rodriguez made the introduction of the new unit.

MISCELLANEOUS
Legislation
Appointments
Other

2. Consider approving the Economic Development Committee's recommendations for the following appointments:

Disabled Access Appeals Board
· Ben Parrott, with a term expiration of January 1, 2010

Golf Courses Advisory Committee
· David Lopez, with a term expiration of January 1, 2008
· David C. Tanner, with a term expiration of January 1, 2010

Planning Commission
· Patricia Gillum, with a term expiration of January 1, 2007

Solid Waste Advisory Committee
· Jean-Pierre Batmale, with a term expiration of January 1, 2008
· Jim Patton, with a term expiration of January 1, 2009

· Resolutions approving appointments recommended.
City Manager's Office; George Britton, 577-5405, gbritton@modestogov.com

ACTION: Resolution 2006-518 (Hawn/Olsen; unan.) appointing Ben Parrott, with a term expiration of January 1, 2010 to the Disabled Access Appeals Board.

ACTION: Resolution 2006-519 (Hawn/Keating; majority, Dunbar no) appointing David Lopez, with a term expiration of January 1, 2008 to the Golf Courses Advisory Committee.

ACTION: Resolution 2006-520 (Hawn/Dunbar; unan.) appointing David C. Tanner, with a term expiration of January 1, 2010 to the Golf Courses Advisory Committee

ACTION: Resolution 2006-521 (Hawn/Olsen; unan.) appointing Patricia Gillum, with a term expiration of January 1, 2007 to the Planning Commission.

ACTION: Resolution 2006-522 (Hawn/Dunbar; unan.) appointing Jean-Pierre Batmale, with a term expiration of January 1, 2008 and Jim Patton, with a term expiration of January 1, 2009 to the Solid Waste Advisory Committee.

ORAL COMMUNICATIONS

None

CONSENT ITEMS - ROLL CALL VOTE REQUIRED: Items 3 through 33

ACTION Consent Items 1 through 9, 11 through 29, 31 through 33: Dunbar/Hawn; unan.

ACTION: Item 10 - Marsh/Hawn; unan.

ACTION: Item 30 - O'Bryant/Dunbar; unan.

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of August 8, 2006.
· Motion approving recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) approving the minutes of August 8, 2006.

CONSENT

4. Consider approving the final adoption of the following:

A. Ordinance No. 3416-C.S. amending sections 3-1.128, 3-8.06 and 3-9.11 of Title 3 of the Modesto Municipal Code relating to insurance.

B. Ordinance No. 3417 -C.S. amending sections 4-1.1206, 4-3.07, 4-6.901, 4-6.902, 4-7.1609 and 4-15.108 of Title 4 of the Modesto Municipal Code relating to insurance.

C. Ordinance No. 3418 -C.S. amending section 5-5.03 Chapter 5 of Title 5 of the Modesto Municipal Code relating to insurance.

D. Ordinance No. 3419 -C.S. amending section 6-7.207 of Article 2 of Chapter 7 of Title 6 of the Modesto Municipal Code relating to insurance.

E. Ordinance No. 3420 -C.S. amending sections 7-1.109, 7-2.41, 7-3.108, 7-3.108.1, 7-3.108.2 and 7-3.108.3 of Title 7 of the Modesto Municipal Code relating to insurance.

F. Ordinance No. 3421 -C.S. amending sections 11-4.05 and 11-4.34 of Chapter 4 Title 11 of the Modesto Municipal Code relating to insurance.

G. Ordinance No. 3422-C.S. - approving the first amendment to the development agreement between the City of Modesto and Kaiser Foundation Hospitals for the development of Kaiser Modesto Medical Center/Cornerstone Business Park located in the Kiernan Business Park Specific Plan.

· Motion approving final adoption recommended.
Clerk; Rebecca Redin, 577-5397, rredin@modestogov.com

ACTION: By Motion(Dunbar/Hawn; unan.) approved the **final adoption of Ordinance No. 3416-C.S.** amending sections 3-1.128, 3-8.06 and 3-9.11 of Title 3 of the Modesto Municipal Code relating to insurance.

ACTION: By Motion(Dunbar/Hawn; unan) approved the **final adoption of Ordinance No. 3417 -C.S.** amending sections 4-1.1206, 4-3.07, 4-6.901, 4-6.902, 4-7.1609 and 4-15.108 of Title 4 of the Modesto Municipal Code relating to insurance

ACTION: By Motion(Dunbar/Hawn; unan) approved the **final adoption of Ordinance No. 3418 -C.S.** amending section 5-5.03 Chapter 5 of Title 5 of the Modesto Municipal Code relating to insurance

ACTION: By Motion(Dunbar/Hawn; unan) approved the **final adoption of Ordinance No. 3419 -C.S.** amending section 6-7.207 of Article 2 of Chapter 7 of Title 6 of the Modesto Municipal Code relating to insurance

ACTION: By Motion(Dunbar/Hawn; unan) approved the **final adoption of Ordinance No. 3420 -C.S.** amending sections 7-1.109, 7-2.41, 7-3.108, 7-3.108.1, 7-3.108.2 and 7-3.108.3 of Title 7 of the Modesto Municipal Code relating to insurance.

ACTION: By Motion(Dunbar/Hawn; unan) approved the **final adoption of Ordinance No. 3421 -C.S.** amending sections 11-4.05 and 11-4.34 of Chapter 4 Title 11 of the Modesto Municipal Code relating to insurance.

ACTION: By Motion (Dunbar/Keating; unan. Hawn absent) approved the **final adoption of Ordinance No. 3422-C.S.** - approving the first amendment to the development agreement between the City of Modesto and Kaiser Foundation Hospitals for the development of Kaiser Modesto Medical Center/Cornerstone Business Park located in the Kiernan Business Park Specific Plan.

CONSENT
5. Consider accepting the Information Technology Security Review report by Maze & Associates.
· Motion accepting the Information Technology Security Review report by Maze & Associates recommended.
Clerk; Gary Nienhuis, 571-5544, gnienhuis@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan) accepted the Information Technology Security Review report by Maze & Associates.

CONSENT
6. Consider approving a Sixth Amendment to Agreement for Audit Services with Maze & Associates, to perform annual audits of the Stanislaus Drug Enforcement Agency (SDEA), to be paid by SDEA, at a cost not to exceed $6,145 for Fiscal Year 2006, and $6,300 for Fiscal Year 2007; and, authorizing the City Manager to execute the amendment.
· Resolution approving a Sixth Amendment to Agreement for Audit Services with Maze & Associates, to perform annual audits of the Stanislaus Drug Enforcement Agency (SDEA), to be paid by SDEA, at a cost not to exceed $6,145 for Fiscal Year 2006, and $6,300 for Fiscal Year 2007; and, authorizing the City Manager to execute the amendment recommended.
Clerk; Gary Nienhuis, 571-5544, gnienhuis@modestogov.com

ACTION: Resolution 2006-523 (Dunbar/Hawn; unan) approving a Sixth Amendment to Agreement for Audit Services with Maze & Associates, to perform annual audits of the Stanislaus Drug Enforcement Agency (SDEA), to be paid by SDEA, at a cost not to exceed $6,145 for Fiscal Year 2006, and $6,300 for Fiscal Year 2007; and, authorizing the City Manager to execute the amendment.

CONSENT
7. Consider accepting with regret the resignations of Noralynn Doyle Goold and George Shoemaker from the Community Qualities Forum.
· Resolution accepting with regret the resignations of Noralynn Doyle Goold and George Shoemaker from the Community Qualities Forum recommended.
City Manager's Office; Esther Puckett, 577-5223, epuckett@modestogov.com

ACTION: Resolution 2006-524 (Dunbar/Hawn; unan) accepting with regret the resignations of Noralynn Doyle Goold and George Shoemaker from the Community Qualities Forum.

CONSENT
8. Consider changing the name of the City's utility bill insert from "City Pride" to "City Beat", and authorizing staff to conduct a competitive process resulting in an updated "branding" for the City of Modesto.
· Motion changing the name of the City's utility bill insert from "City Pride" to "City Beat," recommended.
· Motion authorizing staff to conduct a competitive process resulting in an updated "branding" for the City of Modesto recommended.
City Manager's Office; Jessica Smart, 342-4707, jsmart@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan) changed the name of the City's utility bill insert from "City Pride" to "City Beat."

ACTION: By Motion (Dunbar/Hawn; unan) authorized staff to conduct a competitive process resulting in an updated "branding" for the City of Modesto.

CONSENT
9. Consider adopting a resolution approving a two year agreement with Aaron Read & Associates for lobbying efforts at the State level in an amount not to exceed $74,340 the first year and $79,344 the second year and authorizing the City Manager to execute the agreement.
· Resolution approving a two year agreement with Aaron Read & Associates for lobbying efforts at the State level in an amount not to exceed $74,340 the first year and $79,344 the second year and authorizing the City Manager to execute the agreement recommended.
· Resolution amending the FY 2006-07 annual operating budget to transfer $5,000 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Aaron Read and Associates recommended.
City Manager's Office; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2006-525 (Dunbar/Hawn; unan) approving a two year agreement with Aaron Read & Associates for lobbying efforts at the State level in an amount not to exceed $74,340 the first year and $79,344 the second year and authorizing the City Manager to execute the agreement.

ACTION: Resolution 2006-526 (Dunbar/Hawn; unan) amending the FY 2006-07 annual operating budget to transfer $5,000 from General Fund Reserve Account #0100-800-8000-8003 to City Manger's Operating Account #0100-020-0201-0235 to fully fund an agreement for consultant services with Aaron Read and Associates.

REMOVED FROM CONSENT
10. Consider approving an Advanced Funding Agreement for The Kiernan Business Park South Specific Plan Area with Mana Developments and Hans J. Wagner for the preparation of a Facilities Master Plan, and Infrastructure Finance Plan and for formation of a CFD for a portion of the Kiernan Business Park Specific Plan Area commonly known as Kiernan Business Park South, and authorizing the City Manager to execute the Agreement.
· Resolution approving an Advanced Funding Agreement for The Kiernan Business Park South Specific Plan Area with Mana Developments and Hans J. Wagner for the preparation of a Facilities Master Plan, and Infrastructure Finance Plan and for formation of a CFD for a portion of the Kiernan Business Park Specific Plan Area commonly known as Kiernan Business Park South, and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-527 (Marsh/Hawn; unan.) approving an Advanced Funding Agreement for The Kiernan Business Park South Specific Plan Area with Mana Developments and Hans J. Wagner for the preparation of a Facilities Master Plan, and Infrastructure Finance Plan and for formation of a CFD for a portion of the Kiernan Business Park Specific Plan Area commonly known as Kiernan Business Park South, and authorizing the City Manager to execute the Agreement.

CONSENT
11. Consider annexing additional territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 13).
· Resolution of Intention to annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 13) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-528 (Dunbar/Hawn; unan) Resolution of Intention to

annex territory to City of Modesto Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 13).

CONSENT
12. Consider introducing an ordinance amending Section 8-3.102 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to City Contracts - Contract Authority.
· Motion introducing an ordinance amending Section 8-3.102 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to City Contracts - Contract Authority recommended.
City Manager's Office; Amy Gedney, (577-5211), agedney@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan) **introduced Ordinance No. 3423-C.S.** amending Section 8-3.102 of Chapter 3 of Title 8 of the Modesto Municipal Code relating to City Contracts - Contract Authority.

CONSENT
13. Consider authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for hot patch work for an initial two-year period, with three, additional one-year contract extension options, at the sole discretion of the City, for an estimated annual cost of $200,000, with funding budgeted in FY 2006/2007.
· Resolution authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for hot patch work for an initial two-year period, with three, additional one-year contract extension options, at the sole discretion of the City, for an estimated annual cost of $200,000, with funding budgeted in FY 2006/2007 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-529 (Dunbar/Hawn; unan) authorizing the Purchasing Manager to solicit formal Request for Bids (RFB) for hot patch work for an initial two-year period, with three, additional one-year contract extension options, at the sole discretion of the City, for an estimated annual cost of $200,000, with funding budgeted in FY 2006/2007.

CONSENT
14. Consider approving an agreement with Community Housing and Shelter Services (CHSS) to provide $12,200 in Community Development Block Grant - Homeless Services (CDBG-HS) funding for Fiscal Year 2005-2006 and authorizing the City Manager, or his designee, to execute the agreement and related documents.
· Resolution approving an agreement with Community Housing and Shelter Services (CHSS) to provide $12,200 in Community Development Block Grant - Homeless Services (CDBG-HS) funding for Fiscal Year 2005-2006 and authorizing the City Manager, or his designee, to execute the agreement and related documents recommended.
· Resolution amending the Fiscal Year 2006-2007 operating budget to allocate $12,200 from 1152-800-8000-8003, Revolving Loan Fund Reserve, to 1152-320-3270-0496, Direct Grants recommended.
Parks, Recreation & Neighborhoods, Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2006-530 (Dunbar/Hawn; unan) approving an agreement with Community Housing and Shelter Services (CHSS) to provide $12,200 in Community Development Block Grant - Homeless Services (CDBG-HS) funding for Fiscal Year 2005-2006 and authorizing the City Manager, or his designee, to execute the agreement and related documents.

ACTION: Resolution 2006-531(Dunbar/Hawn; unan) amending the Fiscal Year

2006-2007 operating budget to allocate $12,200 from 1152-800-8000-8003, Revolving Loan Fund Reserve, to 1152-320-3270-0496, Direct Grants.

CONSENT
15. Consider approving an agreement with the Salvation Army to provide $36,600 in Fiscal Year 2005-2006 Community Development Block Grant - Homeless Services (CDBG-HS) funding for their Winter Emergency Shelter and authorizing the City Manager, or his designee, to execute the agreement and related documents.
· Resolution approving an agreement with the Salvation Army to provide $36,600 in Fiscal Year 2005-2006 Community Development Block Grant - Homeless Services (CDBG-HS) funding for their Winter Emergency Shelter and authorizing the City Manager, or his designee, to execute the agreement and related documents recommended.
· Resolution amending the Fiscal Year 2006-2007 operating budget to allocate $36,600 from 1152-800-8000-8003, Revolving Loan Fund Reserve, to 1152-320-3270-0496, Direct Grants recommended.
Parks, Recreation & Neighborhoods, Carol Averell, 577-5310, caverell@modestogov.com

ACTION: Resolution 2006-532 (Dunbar/Hawn; unan) approving an agreement with the Salvation Army to provide $36,600 in Fiscal Year 2005-2006 Community Development Block Grant - Homeless Services (CDBG-HS) funding for their Winter Emergency Shelter and authorizing the City Manager, or his designee, to execute the agreement and related documents.

ACTION: Resolution 2006-533 (Dunbar/Hawn; unan) amending the Fiscal Year 2006-2007 operating budget to allocate $36,600 from 1152-800-8000-8003, Revolving Loan Fund Reserve, to 1152-320-3270-0496, Direct Grants.

CONSENT
16. Consider approving budget adjustments to reprogram Community Development Block Grant Entitlement and Revolving Loan Funds.
· Resolution amending the Fiscal Year 06-07 operating budget to: 1) estimate $466,410 in revenue in Community Development Block Grant Carryover in object 3511; 2) approve the creation of a multi-year organization 1130-320-32XX, King-Kennedy Memorial Center Roofing Upgrade; 3) approve the creation of a multi-year organization 1130-320-32XX, Pike Park Play Equipment and 4) appropriate equivalent expenditures to the following activities: a) 1130-320-32XX, King-Kennedy Memorial Center Roofing Upgrade ($93,535); b) 1130-320-3254-0505, Neighborhood Based Projects ($40,000); c) 1130-320-3214, ADA Curb Ramps ($182,875); d) 1130-320-32XX, Pike Park Play Equipment ($50,000); and e) 1130-320-3254-0496, Direct Grants ($100,000) recommended.
· Resolution amending the Fiscal Year 06-07 operating budget to appropriate $300,000 from 1150-800-8000-8003, Revolving Loan Fund Reserve, to fund the following activities: 1150-320-3266-0495, Emergency Home Repair Program ($125,000) and 1150-320-3266-0497, Housing Maintenance Program ($175,000) recommended.
· Resolution amending the Fiscal Year 06-07 Capital Improvement Plan to: 1) estimate $369,000 in revenue in 1130-320-3254-3511, Community Development Block Grant Carryover; 2) transfer said revenue to 2330-800-8000-8003, Capital Grants-Parks Reserve; 3) establish a new CIP, 2330-310-NCIP, King-Kennedy Kitchen/Auditorium Phase II; and 4) allocate $369,000 from the Fund 2330 Reserve to said CIP recommended.
· Resolution amending the Fiscal Year 06-07 Capital Improvement Plan to: 1) transfer $11,000 from 1150-800-8000-8003, Revolving Loan Fund Reserve to 2330-800-8000-8003, Capital Grants-Parks Reserve; and 2) allocate $11,000 to CIP project 2330-310-NCIP, King-Kennedy Kitchen/Auditorium Phase II recommended.

· Resolution amending the Fiscal Year 06-07 operating budget to reduce funding to 1130-320-3223, Street Paving, by $53,890 recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-534 (Dunbar/Hawn; unan) amending the Fiscal Year 06-07 operating budget to: 1) estimate $466,410 in revenue in Community Development Block Grant Carryover in object 3511; 2) approve the creation of a multi-year organization 1130-320-32XX, King-Kennedy Memorial Center Roofing Upgrade; 3) approve the creation of a multi-year organization 1130-320-32XX, Pike Park Play Equipment and 4) appropriate equivalent expenditures to the following activities: a) 1130-320-32XX, King-Kennedy Memorial Center Roofing Upgrade ($93,535); b) 1130-320-3254-0505, Neighborhood Based Projects ($40,000); c) 1130-320-3214, ADA Curb Ramps ($182,875); d) 1130-320-32XX, Pike Park Play Equipment ($50,000); and e) 1130-320-3254-0496, Direct Grants ($100,000)

ACTION: Resolution 2006-535 (Dunbar/Hawn; unan) amending the Fiscal Year 06-07 operating budget to appropriate $300,000 from 1150-800-8000-8003, Revolving Loan Fund Reserve, to fund the following activities: 1150-320-3266-0495, Emergency Home Repair Program ($125,000) and 1150-320-3266-0497, Housing Maintenance Program ($175,000)

ACTION: Resolution 2006-536 (Dunbar/Hawn; unan) amending the Fiscal Year 06-07 Capital Improvement Plan to: 1) estimate $369,000 in revenue in 1130-320-3254-3511, Community Development Block Grant Carryover; 2) transfer said revenue to 2330-800-8000-8003, Capital Grants-Parks Reserve; 3) establish a new CIP, 2330-310-NCIP, King-Kennedy Kitchen/Auditorium Phase II; and 4) allocate $369,000 from the Fund 2330 Reserve to said CIP

ACTION: Resolution 2006-537 (Dunbar/Hawn; unan) amending the Fiscal Year 06-07 Capital Improvement Plan to: 1) transfer $11,000 from 1150-800-8000-8003, Revolving Loan Fund Reserve to 2330-800-8000-8003, Capital Grants-Parks Reserve; and 2) allocate $11,000 to CIP project 2330-310-NCIP, King-Kennedy Kitchen/Auditorium Phase II

ACTION: Resolution 2006-538 (Dunbar/Hawn; unan) amending the Fiscal Year 06-07 operating budget to reduce funding to 1130-320-3223, Street Paving, by $53,890

CONSENT
17. Consider approving a request from El Nuevo Pacto for amplified music at Mancini Bowl for a musical event to be held on October 7, 2006, from 2:00 p.m. to 7:00 p.m.
· Resolution approving a request from El Nuevo Pacto for amplified music at Mancini Bowl for a musical event to be held on October 7, 2006, from 2:00 p.m. to 7:00 p.m. recommended.
Parks, Recreation &Neighborhoods; Debbie Fortino, 571-5863, dfortino@modestogov.com

ACTION: Resolution 2006-539 (Dunbar/Hawn; unan) approving a request from El Nuevo Pacto for amplified music at Mancini Bowl for a musical event to be held on October 7, 2006, from 2:00 p.m. to 7:00 p.m.

CONSENT
18. Consider authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase and installation of new carpet in the lobby and downstairs meeting area of the Modesto Centre Plaza.
· Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase and installation of new carpet in the lobby and downstairs

meeting area of the Modesto Centre Plaza recommended.
Parks, Recreation & Neighborhoods; Vicki Rice, 577-6482, vrice@modestogov.com

ACTION: Resolution 2006-540 (Dunbar/Hawn; unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase and installation of new carpet in the lobby and downstairs meeting area of the Modesto Centre Plaza

CONSENT
19. Consider accepting the 2006 Gang Resistance Education and Training (G.R.E.A.T.) Program, in the amount of $250,000, from the U.S. Department of Justice, Bureau of Justice Assistance, for two police officers to educate students to reduce their involvement in delinquent behavior, violence, and gang membership.
· Resolution accepting the 2006 Gang Resistance Education and Training (G.R.E.A.T.) Program grant in the amount of $250,000 from the U.S. Department of Justice, Bureau of Justice Assistance, for two police officers to educate students to reduce their involvement in delinquent behavior, violence, and gang membership; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $250,000, expenses of $313,306, and appropriating $66,305 General Fund Reserves for the 2006 Gang Resistance Education and Training (G.R.E.A.T.) Program recommended.
· Motion amending the Police Department position allocation as adopted by the City Council as part of the FY 2006/07 budget to allocate two Police Officer positions in Organization 2905 for the G.R.E.A.T. Program recommended.
Police; Ron Reid, 668-5550 ext. 6209, reidr@modestopd.com

ACTION: Resolution 2006-541 (Dunbar/Hawn; unan.) accepting the 2006 Gang Resistance Education and Training (G.R.E.A.T.) Program grant in the amount of $250,000 from the U.S. Department of Justice, Bureau of Justice Assistance, for two police officers to educate students to reduce their involvement in delinquent behavior, violence, and gang membership; and authorizing the City Manager, or his designee, to execute the necessary program documents

ACTION: Resolution 2006-542 (Dunbar/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $250,000, expenses of $313,306, and appropriating $66,305 General Fund Reserves for the 2006 Gang Resistance Education and Training (G.R.E.A.T.) Program

ACTION: By Motion (Dunbar/Hawn; unan) amended the Police Department position allocation as adopted by the City Council as part of the FY 2006/07 budget to allocate two Police Officer positions in Organization 2905 for the G.R.E.A.T. Program

CONSENT
20. Consider accepting a donation up to $5,000 from Save Mart/Milk-Bone for the purchase of a new Police Canine.
· Resolution accepting a donation up to $5,000 from Save Mart/Milk-Bone for the purchase of a new Police Canine, and authorizing the City Manager, or his designee, to execute the necessary documents recommended.
Police; Lt. Ron Cloward, 572-9664, clowardr@modestopd.com

ACTION: Resolution 2006-543 (Dunbar/Hawn; unan) accepting a donation up to $5,000 from Save Mart/Milk-Bone for the purchase of a new Police Canine, and authorizing the City Manager, or his designee, to execute the necessary documents

CONSENT

21. Consider approving an Agreement with the Stanislaus County Probation Department in the amount of $91,670 for one Police Officer to provide High Risk Offender/Juvenile Warrant Enforcement Program for fiscal year 2006/07.
· Resolution approving an Agreement with the Stanislaus County Probation Department in the amount of $91,670 for one Police Officer to provide High Risk Offender/Juvenile Warrant Enforcement Program for fiscal year 2006/07 and authorizing the City Manager, or his designee, to execute the Agreement recommended.
· Resolution amending the fiscal year 2006/07 operating budget to appropriate $91,670 in revenue for the High Risk Offender/Juvenile Warrant Enforcement Program, and to appropriate $91,670 in budgeted salaries from Organization 1941 to Organization 2983 recommended.
· Motion amending the position allocation as adopted by the City Council as part of the 2006/07 budget to move one Police Officer from Organization 1941 to Organization 2983 for the High Risk Offender/Juvenile Enforcement Program recommended.
Police; Gene Balentine, 572-9505, balentineg@modestopd.com

ACTION: Resolution 2006-544 (Dunbar/Hawn; unan) approving an Agreement with the Stanislaus County Probation Department in the amount of $91,670 for one Police Officer to provide High Risk Offender/Juvenile Warrant Enforcement Program for fiscal year 2006/07 and authorizing the City Manager, or his designee, to execute the Agreement

ACTION: Resolution 2006-545 (Dunbar/Hawn; unan) amending the fiscal year 2006/07 operating budget to appropriate $91,670 in revenue for the High Risk Offender/Juvenile Warrant Enforcement Program, and to appropriate $91,670 in budgeted salaries from Organization 1941 to Organization 2983

ACTION: By Motion (Dunbar/Hawn; unan) amending the position allocation as adopted by the City Council as part of the 2006/07 budget to move one Police Officer from Organization 1941 to Organization 2983 for the High Risk Offender/Juvenile Enforcement Program

CONSENT
22. Consider accepting the work by Playgrounds Plus for the project titled "Play Equipment Upgrades for Modesto Playgrounds - Group 1," which includes Garrison, Chrysler, Sylvan, Whitmore, and Roosevelt Parks, as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $305,330.13. Total project cost is $366,980.43, which includes construction contingency, construction administration, and engineering design costs.
· Resolution accepting the work by Playgrounds Plus for the project titled "Play Equipment Upgrades for Modesto Playgrounds - Group 1," which includes Garrison, Chrysler, Sylvan, Whitmore, and Roosevelt Parks, as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $305,330.13. Total project cost is $366,980.43, which includes construction contingency, construction administration, and engineering design costs recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2006-546 (Dunbar/Hawn; unan) accepting the work by Playgrounds Plus for the project titled "Play Equipment Upgrades for Modesto Playgrounds - Group 1," which includes Garrison, Chrysler, Sylvan, Whitmore, and Roosevelt Parks, as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $305,330.13. Total project cost is $366,980.43, which includes construction contingency, construction administration, and engineering design costs

CONSENT
23. Consider accepting the work by Collins Electrical Company, Inc., for the project

titled "Briggsmore Avenue Streetlight Modifications" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $71,418. Total project cost is $86,889.53, which includes construction contingency, construction administration, and engineering design costs.
· Resolution accepting the work by Collins Electrical Company, Inc., for the project titled "Briggsmore Avenue Streetlight Modifications" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $71,418. Total project cost is $86,889.53, which includes construction contingency, construction administration, and engineering design costs recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2006-547 (Dunbar/Hawn; unan) accepting the work by Collins Electrical Company, Inc., for the project titled "Briggsmore Avenue Streetlight Modifications" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $71,418. Total project cost is $86,889.53, which includes construction contingency, construction administration, and engineering design costs

CONSENT
24. Consider amending the Public Works Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one Maintenance Mechanic-Parks position in Organization 5007, Water Division, Public Works Department, to the position of Maintenance Mechanic-Pumps.
· Motion amending the Public Works Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one Maintenance Mechanic-Parks position in Organization 5007, Water Division, Public Works Department, to the position of Maintenance Mechanic-Pumps recommended.
Public Works; Nicholas Pinhey, 577-5213, npinhey@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan) amending the Public Works Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one Maintenance Mechanic-Parks position in Organization 5007, Water Division, Public Works Department, to the position of Maintenance Mechanic-Pumps

CONSENT
25. Consider approving the removal of the protected/permissive left-turn operation at seven signalized intersections. Funds are budgeted in Account No. 0700-160-1612-0365-02, "Street Light & Traffic Maintenance."
· Resolution approving the removal of the protected/permissive left-turn operation at the following signalized intersections:
o Oakdale Road and Orangeburg Avenue (north/south direction)
o Standiford Avenue and Tully Road (east/west direction)
o Standiford Avenue and Prescott Road (north/south direction)
o Standiford Avenue and Carver Road (east/west direction)
o Briggsmore Avenue and Tully Road (north/south direction)
o Carpenter Road and Woodland Avenue (north/south direction)
o Pelandale Avenue and Sisk Road (east/west direction) recommended.
Public Works; Jeffrey Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2006-548 (Dunbar/Hawn; unan) approving the removal of the protected/permissive left-turn operation at the following signalized intersections:
o Oakdale Road and Orangeburg Avenue (north/south direction)
o Standiford Avenue and Tully Road (east/west direction)
o Standiford Avenue and Prescott Road (north/south direction)
o Standiford Avenue and Carver Road (east/west direction)
o Briggsmore Avenue and Tully Road (north/south direction)
o Carpenter Road and Woodland Avenue (north/south direction)

o Pelandale Avenue and Sisk Road (east/west direction)

CONSENT
26. Consider approving the plans and specifications, awarding the bid, and approving a $294,292 construction contract with Richard A. Heaps, for the project entitled, "Traffic Signal Modifications at La Loma Avenue at Santa Ana Avenue; Needham Street at 12th Street/Virginia Avenue," and authorizing the City Manager to execute the contract agreement.
· Resolution amending the CIP budget to recognize and appropriate new Congestion Mitigation and Air Quality (CMAQ) grant revenues of $44,265, and to increase the expenditure appropriation of 2370-160-E632, "Signal Modification 12th/La Loma (117)," in the amount of $64,000 recommended.
· Resolution approving the plans and specifications, awarding the bid, and approving a $294,292 construction contract with Richard A. Heaps, for the project entitled, "Traffic Signal Modifications at La Loma Avenue at Santa Ana Avenue; Needham Street at 12th Street/Virginia Avenue," and authorizing the City Manager to execute the contract recommended.
Public Works; Jeffrey Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2006-549 (Dunbar/Hawn; unan) amending the CIP budget to recognize and appropriate new Congestion Mitigation and Air Quality (CMAQ) grant revenues of $44,265, and to increase the expenditure appropriation of 2370-160-E632, "Signal Modification 12th/La Loma (117)," in the amount of $64,000

ACTION: Resolution 2006-550 (Dunbar/Hawn; unan) approving the plans and specifications, awarding the bid, and approving a $294,292 construction contract with Richard A. Heaps, for the project entitled, "Traffic Signal Modifications at La Loma Avenue at Santa Ana Avenue; Needham Street at 12th Street/Virginia Avenue," and authorizing the City Manager to execute the contract

CONSENT
27. Consider approving the plans and specifications, awarding the bid, and approving a $223,680 construction contract with Collins Electrical Company, Inc., for the project entitled, "Installation of Lighted Crosswalks," at the following locations:
o Paradise Road @ Jefferson Street
o Rumble Road @ Park Place
o McClure Road @ Penny Lane
o Rose Avenue @ Primrose Lane
o Mt. Vernon Avenue @ Sharondell Drive
The capital cost of the project will be $289,000. The CMAQ grants will cover $247,884. The remaining $41,116 is matching funds from Gas Tax and amending the CIP budget to recognize and appropriate new Congestion Mitigation.
· Resolution amending the CIP budget to recognize and appropriate new Congestion Mitigation and Air Quality (CMAQ) grant revenues of $26,560, and to increase the expenditure appropriation of MY-2370-160-E690, "Lighted Crosswalks," to reflect the increase of construction costs, and an appropriation transfer from 2370-160-E330 in the amount of $12,440 recommended.
· Resolution approving the plans and specifications, awarding the bid, and approving a $223,680 construction contract with Collins Electrical Company, Inc., for the project entitled, "Installation of Lighted Crosswalks," and authorizing the City Manager to execute the contract agreement recommended.
Public Works; Jeffrey Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2006-551 (Dunbar/Hawn; unan) amending the CIP budget to recognize and appropriate new Congestion Mitigation and Air Quality (CMAQ) grant revenues of $26,560, and to increase the expenditure appropriation of MY-2370-160-E690, "Lighted Crosswalks," to reflect the increase of construction costs, and an

appropriation transfer from 2370-160-E330 in the amount of $12,440

ACTION: Resolution 2006-552 (Dunbar/Hawn; unan) approving the plans and specifications, awarding the bid, and approving a $223,680 construction contract with Collins Electrical Company, Inc., for the project entitled, "Installation of Lighted Crosswalks," and authorizing the City Manager to execute the contract agreement

CONSENT
28. Consider accepting the work by Top Grade Construction, Inc., for the project titled "2003-2004 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,157,409.75. Total project cost is $1,409,777.37, which includes construction contingency, construction administration, and engineering design costs.
· Resolution increasing the Public Works Director's authority to issue change orders on the "2003-2004 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from $148,988.48 to $164,153.25, approximately 15 and 16.5 percent respectively of the original contract price with Top Grade Construction, Inc. recommended.
· Resolution accepting the work by Top Grade Construction, Inc., for the project titled "2003-2004 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,157,409.75. Total project cost is $1,409,777.37, which includes construction contingency, construction administration, and engineering design costs recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2006-553 (Dunbar/Hawn; unan) increasing the Public Works Director's authority to issue change orders on the "2003-2004 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" project from $148,988.48 to $164,153.25, approximately 15 and 16.5 percent respectively of the original contract price with Top Grade Construction, Inc.

ACTION: Resolution 2006-554 (Dunbar/Hawn; unan) accepting the work by Top Grade Construction, Inc., for the project titled "2003-2004 Pavement Maintenance Program - Coffee Road Reconstruction from 365' North of Sylvan Avenue to 2,500' North of Sylvan Avenue" as complete, authorizing the City Clerk to file a Notice of Completion, and authorizing payment of amounts due totaling $1,157,409.75. Total project cost is $1,409,777.37, which includes construction contingency, construction administration, and engineering design costs

CONSENT
29. Consider approving the plans and specifications for the California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools Project, accepting the bid and approving a $156,575 contract with George Reed, Inc., for the project titled, "California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $203,200, which includes engineering design, construction contract, construction contingency, and construction administration.
· Resolution approving the plans and specifications for the California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools Project, accepting the bid and approving a $156,575 contract with George Reed, Inc., for the project titled, "California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools," and authorizing the City Manager to execute the contract. Total

estimated cost of this project is $203,200, which includes engineering design, construction contract, construction contingency, and construction administration recommended.
· Resolution amending the current Capital Improvement Budget by appropriating $25,000 from account 0700-800-8000-8003 (Gas Tax Reserves) to CIP account 2370-160-E701 (California Avenue Improvements) in order to fully fund the project "California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools" recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-555 (Dunbar/Hawn; unan) approving the plans and specifications for the California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools Project, accepting the bid and approving a $156,575 contract with George Reed, Inc., for the project titled, "California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools," and authorizing the City Manager to execute the contract. Total estimated cost of this project is $203,200, which includes engineering design, construction contract, construction contingency, and construction administration

ACTION: Resolution 2006-556 (Dunbar/Hawn; unan) amending the current Capital Improvement Budget by appropriating $25,000 from account 0700-800-8000-8003 (Gas Tax Reserves) to CIP account 2370-160-E701 (California Avenue Improvements) in order to fully fund the project "California Avenue Improvements - Mark Twain Junior High School Safe Route to Schools"

REMOVED FROM CONSENT
30. Consider approving an agreement with Red Oak Consulting in the amount of $43,000 to conduct an organizational and management analysis of the Water Quality Control Division.
· Resolution approving an agreement with Red Oak Consulting in the amount of $43,000 to conduct an organizational and management analysis of the Water Quality Control Division, and authorize the City Manager, or his designee, to execute the agreement recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: Resolution 2006-557 (O'Bryant/Dunbar; unan.) approving an agreement with Red Oak Consulting in the amount of $43,000 to conduct an organizational and management analysis of the Water Quality Control Division, and authorize the City Manager, or his designee, to execute the agreement

CONSENT
31. Consider rejecting the sole bid for the project titled "Staircase Replacements at Primary Treatment Plant" and authorizing staff to renegotiate with original bidders and authorizing the Purchasing Manager, or his designee to issue a Purchase Order for the awarded bidder(s).
· Resolution rejecting the sole bid for the project titled "Staircase Replacements at Primary Treatment Plant" and authorizing staff to renegotiate with original bidders and authorizing the Purchasing Manager, or his designee to issue a Purchase Order for the awarded bidder(s) recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: Resolution 2006-558 (Dunbar/Hawn; unan.) rejecting the sole bid for the project titled "Staircase Replacements at Primary Treatment Plant" and authorizing staff to renegotiate with original bidders and authorizing the Purchasing Manager, or his designee to issue a Purchase Order for the awarded bidder(s)

CONSENT
32. Consider summarily vacating a Public Utility Easement located on 3048 Hahn Dr (APN 076-042-015) in the City of Modesto.
· Resolution summarily vacating a Public Utility Easement located on 3048 Hahn Dr (APN 076-042-015) in the City of Modesto recommended.
Public Works; Bill Sandhu, 577-5259, bsandhu@modestogov.com

ACTION: Resolution 2006-559 (Dunbar/Hawn; unan) summarily vacating a Public Utility Easement located on 3048 Hahn Dr (APN 076-042-015) in the City of Modesto

CONSENT
33. Consider approving an Agreement between the City of Modesto and Fehr and Peers Transportation Consultants for work on a Transportation Study for the Vintage Faire Mall Village Expansion Project in an amount not to exceed $69,845 (Total Budget 90,799).
· Resolution approving an Agreement between the City of Modesto and Fehr and Peers Transportation Consultants for work on an Transportation Study for the Vintage Faire Mall Village Expansion Project in an amount not to exceed $69,845 and authorizing the City Manager or designee to execute the Agreement recommended.
Community & Economic Development; Josh Bridegroom, 571-5540 jbridegroom@modestogov.com

ACTION: Resolution 2006-560 (Dunbar/Hawn; unan) approving an Agreement between the City of Modesto and Fehr and Peers Transportation Consultants for work on an Transportation Study for the Vintage Faire Mall Village Expansion Project in an amount not to exceed $69,845 and authorizing the City Manager or designee to execute the Agreement.

COUNCIL COMMENTS & REPORTS

None.

CITY MANAGER COMMENTS & REPORTS

None.

UNFINISHED BUSINESS

Item 34 heard as the last item on the agenda to allow time for the applicant to arrive.
34. Consider allowing parking on the Sierra Drive Bridge over State Highway 99, and establish angle parking on Sierra Drive, between 5th Street and 6th Street and on 6th Street, from Sierra Drive to the North property line of the New Bethany Missionary Baptist Church (NBMBC), and rescinding Resolution No. 2006-081.
· Resolution permitting parking on the Sierra Drive Bridge over State Highway 99 recommended.
· Resolution establishing angle parking in the City of Modesto, and rescinding Resolution
No. 2006-081 recommended.
Public Works; Jeffrey Barnes, 577-5468, jbarnes@modestogov.com

ACTION: Resolution 2006-561 (Hawn/Keating; unan.) permitting parking on the Sierra Drive Bridge over State Highway 99.

ACTION: Resolution 2006-562 (Hawn/Keating; unan.) establishing angle parking in the City of Modesto, and rescinding Resolution No. 2006-081, with the addition that if the Church chooses not to construct the bulb out, parallel parking would be allowed on both sides of the bridge.

HEARINGS

Item 35 -38 heard prior to Item 34.
Published in the Modesto Bee on August 14, 2006
35. Hearing to consider an application of Bobby and John Ismail, for an amendment to P-D(564) to change the use for the restaurant located on the northeast corner of the project site from a restaurant as permitted in the C-1 Zone to a restaurant with a pub as permitted in the C-2 Zone, property located at the southwest corner of Briggsmore Avenue and Oakdale Road.
· Motion introducing an Ordinance amending Section 2 of Ordinance No. 3342-C.S. to allow a restaurant with a pub as permitted in the C-2 Zone recommended.
· Resolution amending Sections 1 and 2 of Resolution No. 2004-045 entitled "A Resolution Approving a Development Plan For Planned Development Zone, P-D(564), (Soelling)." (Ismail) recommended.
· Resolution finding that the following project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): Amendment to P-D(564), property located on the southwest corner of Briggsmore Avenue and Oakdale Road (Ismail) recommended.
Community & Economic Development; Josh Bridegroom, 577-5267, jbridegroom@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan.) **introduced Ordinance 3424-C.S.** amending Section 2 of Ordinance No. 3342-C.S. to allow a restaurant with a pub as permitted in the C-2 Zone.

ACTION: Resolution 2006-563 (Marsh/Hawn; unan) amending Sections 1 and 2 of Resolution No. 2004-045 entitled "A Resolution Approving a Development Plan For Planned Development Zone, P-D(564), (Soelling)." (Ismail)

ACTION: Resolution 2006-564 (Marsh/Hawn; unan) finding that the following project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): Amendment to P-D(564), property located on the southwest corner of Briggsmore Avenue and Oakdale Road. (Ismail)

Published in the Modesto Bee on August 14, 2006
36. Hearing to consider the application of Brij Gupta to Rezone .93 acres located on the west side of Coffee Road south of Las Cruces Court from R-1 Single-Family Residential Zone, to P-D(575), Planned Development Zone, in order to allow the development of a medical and professional office complex.
· Motion introducing an Ordinance amending Section 9-3-9 of the Zoning Map from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(575). (Brij Gupta) recommended.
· Resolution approving a development plan for Planned Development Zone, P-D(575). (Brij Gupta) recommended.
· Resolution finding that the following project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending Section 9-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, R-1, to Planned Development Zone, P-D(575), property located at 3125 Coffee Road. (Brij Gupta) recommended.
Community & Economic Development; Rita Doscher, 577-5267, rdoscher@modestogov.com

ACTION: By Motion (Marsh/O'Bryant; unan.) **introduced Ordinance 3425-C.S.** amending Section 9-3-9 of the Zoning Map from Low-Density Residential Zone, (R-1), to Planned Development Zone, P-D(575). (Brij Gupta)

ACTION: Resolution 2006-565 (Marsh/O'Bryant; unan) approving a development plan for Planned Development Zone, P-D(575). (Brij Gupta)

ACTION: Resolution 2006-566 (Marsh/O'Bryant; unan) finding that the following project is within the scope of the project covered by the Modesto Urban Area General Plan Master Environmental Impact Report (Sch No. 1999082041): amending Section 9-3-9 of the Zoning Map to rezone from Low-Density Residential Zone, R-1, to Planned Development Zone, P-D(575), property located at 3125 Coffee Road. (Brij Gupta)

Published in the Modesto Bee on August 14, 2006
37. Hearing to consider an application of Jeff and Heather Sutton, for an Amendment to Planned Development Zone P-D(118), to allow the construction of a new two-story residence with a three-car garage, which currently allows only single-level homes with two-car garages on Notre Dame Avenue, property located at 1124 Notre Dame Avenue.
· Motion introducing an Ordinance amending Section 2 of Ordinance No. 1303-C.S. Entitled "An Ordinance Amending Section Map 20-3-9 of the Zoning Map of the City of Modesto, Reclassifying Certain Property Located Thereon. (John Quaresma-Tully and Roseburg)"recommended.
· Resolution amending Sections 1 & 2 of Resolution No. 73-972 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(118)." (Jeff & Heather Sutton) recommended.
Community & Economic Development; Rita Doscher, 577-5267, rdoscher@modestogov.com

ACTION: By Motion (Hawn/Dunbar; unan.) **introduced Ordinance 3426-C.S.** amending Section 2 of Ordinance No. 1303-C.S. Entitled "An Ordinance Amending Section Map 20-3-9 of the Zoning Map of the City of Modesto, Reclassifying Certain Property Located Thereon. (John Quaresma-Tully and Roseburg)"

ACTION: Resolution 2006-567 (Hawn/Dunbar; unan) amending Sections 1 & 2 of Resolution No. 73-972 entitled "A Resolution Approving a Development Plan for Planned Development Zone, P-D(118)." (Jeff & Heather Sutton)

NEW BUSINESS

38. Consider approving an Agreement between the City of Modesto and Jones and Stokes Associates for the preparation of a Maintenance Update to the Modesto Urban Area General Plan and an update to the General Plan MEIR in an amount not to exceed $937,280.00.
· Resolution approving an Agreement between the City of Modesto and Jones and Stokes Associates for the preparation of a Maintenance Update to the Modesto Urban Area General Plan and an update to the General Plan MEIR in an amount not to exceed $937,280.00 and authorizing the City Manager to execute the Agreement recommended.
· Resolution amending the FY06/07 budget to create a multi-year operating organization (0800-140-1440) and appropriate $625,000 from the general fund reserve to organization 0800-140-1440-0235 ($525,000) and 0255 ($100,000) recommended.
Community & Economic Development; Patrick Kelly, 577-5268, pkelly@modestogov.com

ACTION: Resolution 2006-568 (Hawn/Dunbar; unan.) approving an Agreement between the City of Modesto and Jones and Stokes Associates for the preparation of a Maintenance Update to the Modesto Urban Area General Plan and an update to the General Plan MEIR in an amount not to exceed $937,280.00 and authorizing the City Manager to execute the Agreement Staff was directed to identify the funding source previously earmarked to fund the General Plan Update and report back to Council.

ACTION: Resolution 2006-569 (Hawn/Dunbar; unan) amending the FY06/07

budget to create a multi-year operating organization (0800-140-1440) and appropriate $625,000 from the general fund reserve to organization 0800-140-1440-0235 ($525,000) and 0255 ($100,000).

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:00 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Fire Fighters Association
****

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MPNSA

Agency Negotiators: George Britton, City Manager
Barbara Santos, Deputy Director of Personnel

Employee Organization: Modesto Police Non Sworn Association

****

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code. One potential case.

****

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Jo Ann Bertolotti, Leslie Curtin and Lori Martinez v. City of Modesto, et al.
Stanislaus County Superior Court Case No. 373350

C.C: Diane

ECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue thereof on the following dates, to wit:

SEPTEMBER 30, 2006

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO,** California on

SEPTEMBER 30, 2006

Esther Jimenez
(Signature)

CITY OF MODESTO
NOTICE OF PUBLIC HEARING
ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.2004-1 (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORYPROPOSED TO BE ANNEXED
ANNEXATION NO.13

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on September 5, 2006, adopt its Resolution No.2006-528 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.2004-1 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of one parcel identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No. 077-008-030. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2006-528. The time and place for the hearing is Tuesday, October 10, 2006 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing: However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2006-528. A complete copy of the Resolution is available at the office of the City Clerk at City Hall. Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.

Dated: September 25, 2006
Jean Morris
City Clerk

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 13 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 13.

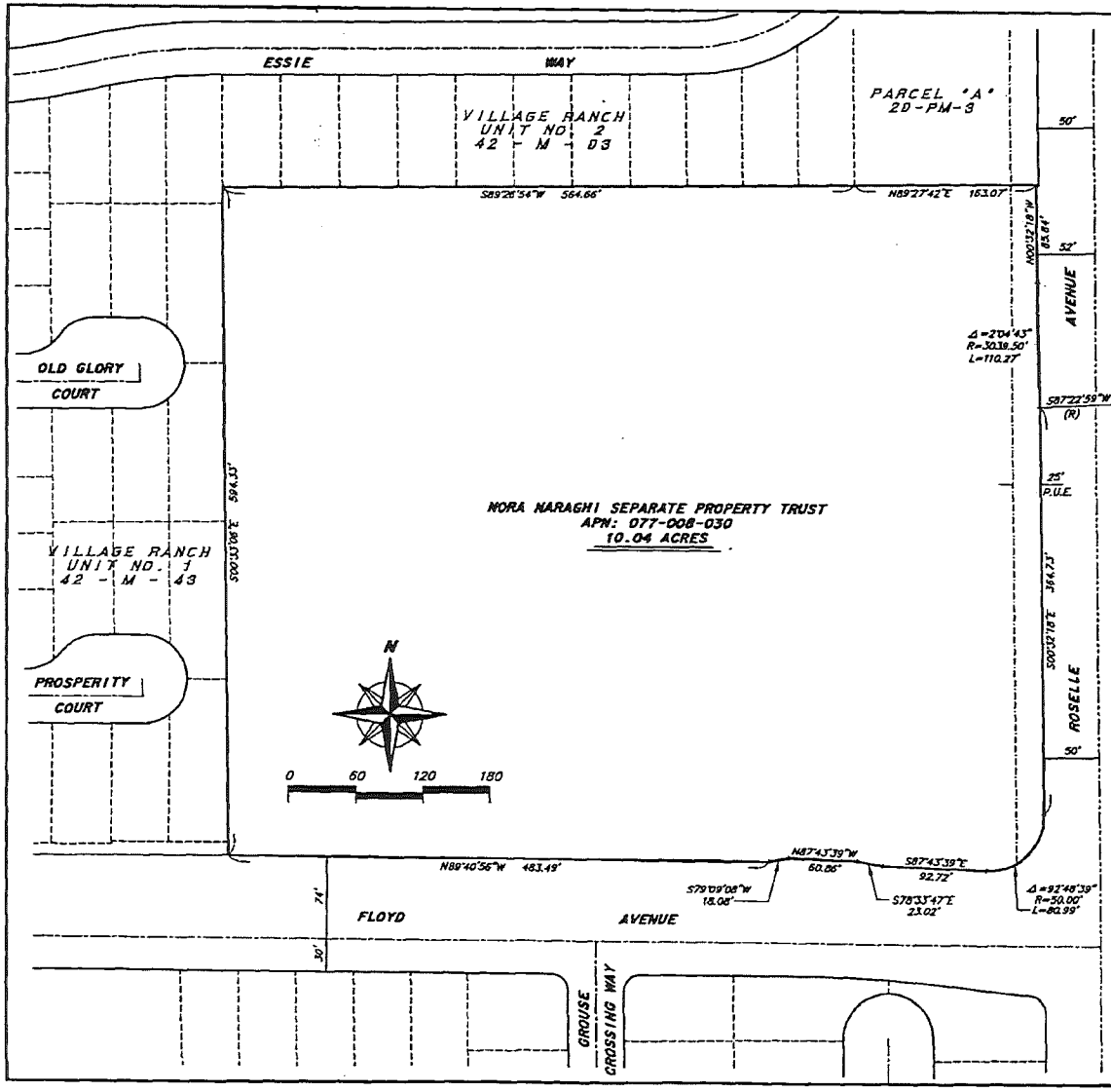
(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

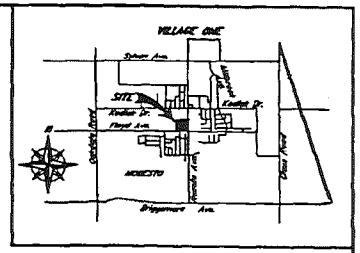
COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

Sept 26, 2006
Date of Execution

Modesto, California
Place of Execution





VICINITY MAP

NTS

ANNEXATION NO. 13

OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

Filed in the Office of the City Clerk of the City of Modesto this____day of _____, 2006.

JEAN MORRIS, City Clerk

By: _____

Print Name

I hereby certify that this map showing the proposed boundaries of Annexation No. 13 to City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, was approved by the City Council of the City of Modesto at a regular meeting thereof, held on the____ day of _____, 2006, by its Resolution No. 2006-_____.

JEAN MORRIS, City Clerk

By: _____

Print Name

This is a map of the area proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California, the Consolidation Boundary Map for which was recorded on November 23, 2005, in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 33, in the Office of the County Recorder, of Stanislaus County, State of California.
A map of Annexation No. 11 to the District was recorded on February 9, 2006 in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 36, in that office.
A map of Annexation No. 12 to the District was recorded on April 26, 2006 in Book 4 of Maps of Assessment and Community Facilities Districts, at Page 42, in that office.

JEAN MORRIS, City Clerk

By: _____

Print Name

Filed this ____day of _____, 2006, at the hour of ____o'clock___m. in Book ___ of Maps of Assessment and Community Facilities Districts at page(s) _____ in the Office of the County Recorder of the County of Stanislaus, State of California.

LEE LUNDRIGAN, County Recorder of the County of Stanislaus, State of California

By: _____

Print Name

Job No. 06193 Sheet 1 of 1 Sheet

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 13

Assessor's Parcel Numbers	Owner's Name	Situs Address	Mailing Address
077-008-030	Hashem Naraghi, Trustee of the Nora Naraghi Separate Property Trust Under Agreement dated November 7, 2000	2917 Floyd Avenue, Modesto, CA 95355	1300 K Street Modesto, CA 95350

CERTIFICATE OF REGISTRAR OF VOTERS
OF THE COUNTY OF STANISLAUS

I, Lee Lundrigan, of the Office of the Registrar of Voters of the County of Stanislaus, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A consisting of one page, describing the boundaries of property proposed to be annexed (the "Annexed Territory") APN 077-008-030; 2917 Floyd Ave, as a part of Annexation No. 13 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On September 28, 2006, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There are NO persons registered to vote within the Annexed Territory.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF THE COUNTY OF STANISLAUS

By: Lee Lundrigan

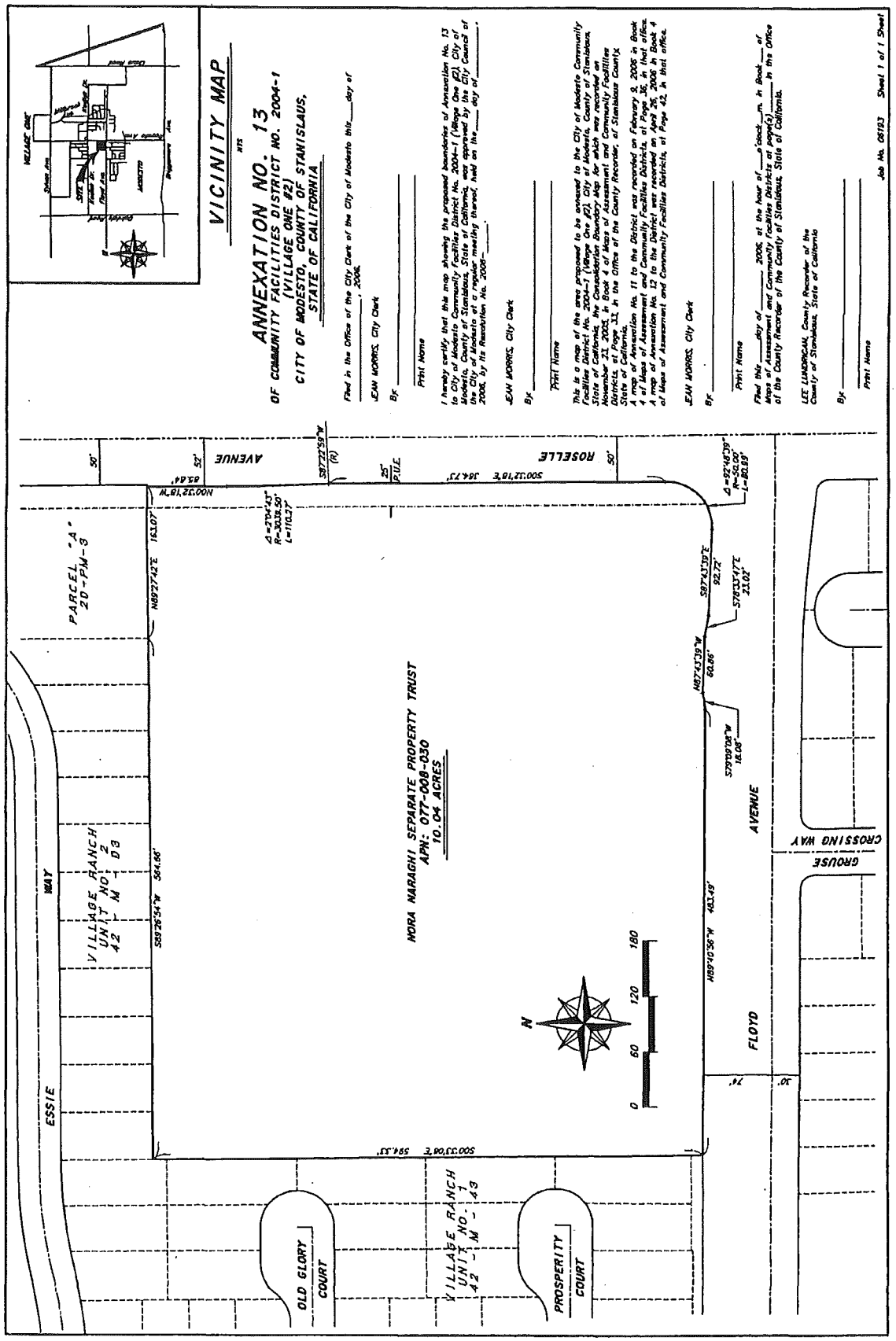
Lee Lundrigan

September 28, 2006
Date of Execution

Modesto, California
Place of Execution

EXHIBIT A

ANNEXATION NO. 13 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)



Wendell J. Naraghi and Margaret Naraghi-Quattrin and Sharon Naraghi, Co-Successor Trustees of the Nora Naraghi Separate Property Trust Under Agreement dated November 7, 2000

A.P. No. 077-008-030

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 13

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Number **077-008-030** (the "Property") being land proposed to be annexed, as Annexation No. 13, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2006-528 (the "Resolution of Intention to Annex"), adopted on September 5, 2006. The land proposed to be annexed to the District as Annexation No. 13 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: Wendell J. Naraghi, Margaret Naraghi-Quattrin and Sharon Naraghi, Co-Successor Trustees of the Nora Naraghi Separate Property Trust

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. X There is no deed of trust or other secured interest encumbering any of the Property.

b. ___ There is a deed of trust or other secured interest, dated _____, and recorded on _____, in Book __ at Page __ of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: _____ _____ _____; the name and address of the Trustee thereunder is: _____ _____.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate Wendell Naraghi as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: PO Box 579418, Modesto, CA 95357 _____.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: Sept. 30, 2006

LANDOWNER: Wendell J. Naraghi and Margaret Naraghi-Quattrin and Sharon Naraghi, Co-Successor Trustees of the Nora Naraghi Separate Property Trust Under Agreement dated November 7, 2000

By: _____
Wendell J. Naraghi

By: Margaret Naraghi Quattrin
Margaret Naraghi-Quattrin

By: Sharon Naraghi
Sharon Naraghi

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 13

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Jean Morris, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2006-528, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 13)," adopted by the City Council of the City of Modesto on September 5, 2006, I am the designated election official to conduct the special election described in that Resolution.

3. On October 16, 2006, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 13. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

JEAN MORRIS, CITY CLERK

Signature: Jean Morris

Date of Execution: Oct 16, 2006

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 13

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Wendell J. Naraghi and Margaret Naraghi-Quattrin and Sharon Naraghi, Co Successor Trustees of the Nora Naraghi Separate Property Trust Under Agreement dated November 7, 2000	Wendell Naraghi 1800 Oakdale Road, Suite G Modesto, CA 95355	1	11

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-688

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 13)

WHEREAS, this Council did, on September 5, 2006, adopt its Resolution No. 2006-528 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004, create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1; and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 13 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on September 8, 2006, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 57; and

WHEREAS, at the time and date set for the hearing (October 10, 2006) pursuant to the Resolution of Intention to Annex, this Council opened the public hearing and continued it to October 24, 2006; and

WHEREAS, at the time and date set for the continued public hearing, the Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the

Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form attached hereto as **Exhibit A.**

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 24th day of October 2006. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is 6:00 p.m., Pacific Time, provided that if all qualified electors have voted prior to such time, the election shall be closed upon the receipt of all of the ballots.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter order the annexation of the Annexed Territory to the District and levy the District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681), and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th of October, 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 13

SPECIAL TAX ELECTION

October 24, 2006

NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒
MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-528, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 13)" adopted by the City Council of the City of Modesto on September 5, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

THIS BALLOT HAS A VALUE OF ___ VOTES

City Clerk's Office

The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 24, 2006, at 5:30 p.m.

Roll Call –Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Marvin Jacobo, Youth for Christ

Due to the length of the agenda, Mayor Ridenour imposed a 5 minute time limit for each speaker and 30 minutes total for each item.

City Clerk's Announcements - Items 31, 32 & 33 removed from Consent

Declaration of Conflicts of Interest

Reports from Closed Session - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to the Friends of the Modesto Library proclaiming October 22-28, 2006 "National Friends of Libraries Week."
City Manager's Office; Kathy Espinoza, 571-5597, kespinoza@modestogov.com
· Mayor Ridenour made the presentation.

2. Presentation of Proclamation to Modesto Police Department proclaiming November 1, 2006 Law Enforcement Records and Support Personnel Day.
City Manager's Office; Kathy Espinoza, 571-5597, kespinoza@modestogov.com
· Mayor Ridenour presented the proclamation.

ORAL COMMUNICATIONS
Three minute time limit per speaker

Eric Reimer expressed his concern regarding a violation of a CUP and requested action from the City Manager's office or the Council. He also requested the time of the comment period for the water rate study begin at the time the report is reviewed by Rich Rudnansky.

Lynda Rigney, mobilehome owner expressed concern with increased rent.
Vice Mayor O'Bryant reviewed the discussions of the previous meetings and explained that language for an ordinance is being developed. He announced that the next meeting is scheduled for mid-November.
Susan Turner – Morningside Mobilehome park made an ordinance language suggestion.
Sally Studer – Morningside Mobilehome park reviewed rent increases from the year 2000.
Ray Newman – Coralwood Mobilehome park concerned with
Judy Lawson resident of Stanislaus Mobilehome park spoke regarding the deterioration of the park and the rent increases.
Councilmember Marsh announced that the City could only address parks within the City limits, but are working with the County regarding the ordinance.
Dave Lewis – Silverwood Park residence noted the rent increases
Don Wilson – Coralwood Mobilehome park – Proposition 90 questions, mobilehome park rent increases

Councilmember Marsh – explained the Council could not take action on items that are not on the agenda
Councilmember Keating requested contact information to keep the mobilehome park residents informed.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 3 through 33

ACTION Consent Items: 3-25, 27-30

ACTION Consent Item 31: Hawn/Dunbar; unan.

ACTION Consent Item 32: Marsh/Hawn; unan.

ACTION Consent Item 33: Marsh/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of October 10, 2006.
· Motion approving recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan.) approving the Minutes of October 10, 2006.

CONSENT
4. Consider approving the final adoption of Ordinance No. 3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning.
· Motion approving final adoption of Ordinance No. 3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan.) adopting Ordinance No.3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning.

CONSENT
5. Consider sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center.
· Resolution sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center recommended.
City Manager's Office; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2006-652 (Marsh/Hawn; unan) sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center.

CONSENT
6. Consider approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the southwest corner of Briggsmore Avenue and Oakdale Road.
· Resolution approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the

southwest corner of Briggsmore Avenue and Oakdale Road, and authorizing the City Manager to execute the Agreement and finding that the Agreement is within the scope of the previously certified Modesto Urban Area General Plan Master EIR (SCH NO. 19999082041) recommended.
City Manager's Office; Amy Gedney, (577-5211), agedney@modestogov.com

ACTION: Resolution 2006-653 (Marsh/Hawn; unan) approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the southwest corner of Briggsmore Avenue and Oakdale Road, and authorizing the City Manager to execute the Agreement and finding that the Agreement is within the scope of the previously certified Modesto Urban Area General Plan Master EIR (SCH NO. 19999082041).

CONSENT
7. Consider approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs").
· Resolution approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs") and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-654 (Marsh/Hawn; unan) approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs") and authorizing the City Manager to execute the Agreement.

CONSENT
8. Consider approving Task Order No. 1 to the Master Professional Services Agreement with Muni-Financial for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District and amending the fiscal year 2006-2007 operating budget to create a multi-year account for the Pelandale-McHenry Specific Plan Area.
· Resolution approving Task Order No. 1 to the Master Professional Services Agreement with MuniFinancial, a California corporation, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area recommended.
· Resolution amending the fiscal year 2006-2007 operating budget to create a multi-year account (2900-020-0263) and appropriating $8,736.00, funded by Meritage Homes of California, Incorporated, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-655 (Marsh/Hawn; unan) approving Task Order No. 1 to the Master Professional Services Agreement with MuniFinancial, a California corporation, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.

ACTION: Resolution 2006-656 (Marsh/Hawn; unan) amending the fiscal year 2006-2007 operating budget to create a multi-year account (2900-020-0263) and appropriating $8,736.00, funded by Meritage Homes of California, Incorporated, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.

CONSENT
9. Consider approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area with Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.
· Resolution approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area between the City of Modesto and Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-657 (Marsh/Hawn; unan) approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area between the City of Modesto and Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area and authorizing the City Manager to execute the Agreement.

CONSENT
10. Consider approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782.

· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-658 (Marsh/Hawn; unan) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

CONSENT
11. Consider approving (1) an Acquisition & Shortfall Agreement with a maximum reimbursement amount of $180,658.62 and (2) a Right-of-Way Reimbursement Agreement with a maximum reimbursement amount of $58,779.16 between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for improvements on the east side of Oakdale Road, north of LaForce Drive.
· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
· Resolution approving a CFD Right-of-Way Reimbursement Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for 0.1583 acres on the east side of Oakdale Road, north of LaForce Drive, with a maximum reimbursement amount of $58,779.16, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-659 (Marsh/Hawn; unan) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

ACTION: Resolution 2006-660 (Marsh/Hawn; unan) approving a CFD Right-of-Way Reimbursement Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for 0.1583 acres on the east side of Oakdale Road, north of LaForce Drive, with a maximum reimbursement amount of $58,779.16, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

CONSENT
12. Consider approving the monthly investment report for August 2006.
· Motion acknowledging receipt and acceptance of the Monthly Investment Report for August 2006 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted Monthly Investment Report for August 2006.

CONSENT
13. Consider the award of bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000.
· Resolution awarding the bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000 recommended.

Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-661 (Marsh/Hawn; unan) awarding the bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000.

CONSENT
14. Consider authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.
· Resolution authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-662 (Marsh/Hawn; unan) authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.

CONSENT
15. Consider authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40.
· Resolution authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-663 (Marsh/Hawn; unan) authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40.

CONSENT
16. Consider approving adoption of the National Incident Management System (NIMS) as recommended by Homeland Security Presidential Directive – 5 (HSPD-5).
· Resolution approving adoption of the National Incident Management System recommended.
Fire; James Miguel, 572-9590, jmiguel@modestogov.com

ACTION: Resolution 2006-664 (Marsh/Hawn; unan) approving adoption of the National Incident Management System.

CONSENT
17. Consider reallocation of Equipment Operator Position to Equipment Mechanic in the Parks, Recreation & Neighborhoods Department, Solid Waste Division, Compost Enterprise Fund.
· Resolution amending the Parks, Recreation and Neighborhoods Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one (1) Equipment Operator Position in Organization 5222, Compost Enterprise Fund, to the position of Equipment Mechanic in Organization 5222, Compost Enterprise Fund, in the Solid Waste Division recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-665 (Marsh/Hawn; unan) amending the Parks, Recreation and Neighborhoods Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one (1) Equipment Operator Position in Organization 5222, Compost Enterprise Fund, to the position of Equipment Mechanic in Organization 5222, Compost Enterprise Fund, in the Solid Waste Division.

CONSENT
18. Consider setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently served by Waste Management, with such Agreement(s) to become effective January 1, 2007.
· Resolution setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently held by Waste Management recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-666 (Marsh/Hawn; unan) setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently held by Waste Management.

CONSENT

19. Consider an adjustment to the 2006-2007 Compost Facility Infrastructure Preservation CIP, and authorizing the Purchasing Manager to issue formal Request for Bids for the lease/purchase of a modular building and relocation/renovation of the existing modular building at Compost Facility, and authorization for Request for Bids for solar shade structure.
· Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the lease/purchase of a modular building for the Compost Facility, the relocation/renovation of the existing modular building, and for the purchase and installation of a solar shade cover for a FY 2006-2007 estimated cost of $80,000 and a total estimated cost of $189,500 over the life of this portion of the capital project recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-667 (Marsh/Hawn; unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the lease/purchase of a modular building for the Compost Facility, the relocation/renovation of the existing modular building, and for the purchase and installation of a solar shade cover for a FY 2006-2007 estimated cost of $80,000 and a total estimated cost of $189,500 over the life of this portion of the capital project.

CONSENT
20. Consider accepting staff update on the status of the former Social Security Building at 1230 12th Street.
· Motion accepting staff update on the status of the former Social Security Building at 1230 12th Street recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted staff update on the status of the former Social Security Building at 1230 12th Street.

CONSENT
21. Consider accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System.
· Resolution accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services, to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $394,891 for the COPS 2006 Technology grant to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System recommended.
Police; Barbara Jackson, 572-9824, jacksonb@modestopd.com

ACTION: Resolution 2006-668 (Marsh/Hawn; unan) accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services, to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System; and authorizing the City Manager, or his designee, to execute the necessary program documents.

ACTION: Resolution 2006-669 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $394,891 for the COPS 2006 Technology grant to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System.

CONSENT
22. Consider accepting the Buckle Up Stanislaus grant in the amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems.
· Resolution accepting the Buckle Up Stanislaus grant in the amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $297,900 for the Buckle Up Stanislaus grant to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems recommended.
· Motion to amend the position allocation as adopted by the City Council as part of the 2006/07 budget to add one Community Services Officer to Organization 0410-190-2969 for the Buckle Up Stanislaus Grant recommended.
Police; William Ryan, 572-9824, ryanw@modestopd.com

ACTION: Resolution 2006-670 (Marsh/Hawn; unan) accepting the Buckle Up Stanislaus grant in the

amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems; and authorizing the City Manager, or his designee, to execute the necessary program.

ACTION: Resolution 2006-671 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $297,900 for the Buckle Up Stanislaus grant to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems.

ACTION: By Motion (Marsh/Hawn; unan) amending the position allocation as adopted by the City Council as part of the 2006/07 budget to add one Community Services Officer to Organization 0410-190-2969 for the Buckle Up Stanislaus Grant.

CONSENT
23. Consider accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS).
· Resolution accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS) to provide four new full-time motor police officers and equipment to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $1,000,000 from the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses recommended.
· Resolution amending the fiscal year 2006/07 operating budget to appropriate a total of $315,000 in revenues to 0610-190-1908-4028 and increase the transfer to the general fund from $185,000 to $210,000 (0100-190-1961-4028) recommended.
· Motion to amend the position allocation as adopted by the City Council as part of the 2006/07 operating budget to add four Police Officer positions to Organization 0410-190-2968 for the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant recommended.
Police; William Ryan, 572-9824, ryanw@modestopd.com

ACTION: Resolution 2006-672 (Marsh/Hawn; unan) accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS) to provide four new full-time motor police officers and equipment to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses; and authorizing the City Manager, or his designee, to execute the necessary program documents.

ACTION: Resolution 2006-673 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $1,000,000 from the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses.

ACTION: Resolution 2006-674 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget to appropriate a total of $315,000 in revenues to 0610-190-1908-4028 and increase the transfer to the general fund from $185,000 to $210,000 (0100-190-1961-4028).

ACTION: By Motion (Marsh/Hawn; unan) amending the position allocation as adopted by the City Council as part of the 2006/07 operating budget to add four Police Officer positions to Organization 0410-190-2968 for the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant.

CONSENT
24. Consider approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year. Total cost for four (4) years is not to exceed $400,000.
· Resolution approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $400,000 recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-675 (Marsh/Hawn; unan) approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $400,000.

CONSENT
25. Consider approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year. Total cost for four (4) years is not to exceed $160,000.
· Resolution approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $160,000 recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-676 (Marsh/Hawn; unan) approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $160,000.

Removed from Consent
26. Consider adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing" and approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing." Total estimated cost of this project is $2,385,483.29, which includes construction contingency, construction administration, and engineering design
· Resolution adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing" recommended.
· Resolution approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing," and authorizing the City Manager, or his designee, to execute the contract recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-677 (Marsh/Hawn; unan) adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing".

ACTION: Resolution 2006-678 (Marsh/Hawn; unan) approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing," and authorizing the City Manager, or his designee, to execute the contract.

CONSENT
27. Consider approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane.
· Resolution approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane; and authorizing the City Manager, or his designee, to execute the Agreement recommended.
Public Works; Lee Dumas, 571-5537, ldumas@modestogov.com

ACTION: Resolution 2006-679 (Marsh/Hawn; unan) approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane; and authorizing the City Manager, or his designee, to execute the Agreement.

CONSENT
28. Consider approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City. This suspension will reduce airport revenues approximately $700 per month, or $8,400 annually.
· Resolution approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City

Manager, or his designee, to execute the amendment on behalf of the City recommended.
Public Works; Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2006-680 (Marsh/Hawn; unan) approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City.

CONSENT
29. Consider an Amendment to Professional Services Agreement Airport Master Plan and Noise Study Update with Coffman Associates, Inc.
· Resolution approving an amendment to the agreement with Coffman Associates, Inc., to reflect the revised Scope of Services and related Final Cost Estimate for the Noise Compatibility Program Update for the Modesto City-County Airport, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City recommended.
· Resolution amending the Adopted Capital Improvement Program Budget for Fiscal Year 2006-07 and appropriating $16,214 from the FAA Capital Grant (6320-440-A803- $15,403) and passenger facility charge (6320-440-A803-$811) to the Capital Improvement Project titled Noise Study (6320-440-A803) to fully fund this project recommended.
Public Works; Michael Musca, 577-5319, mmusca@modestogov.com

ACTION: Resolution 2006-681 (Marsh/Hawn; unan) approving an amendment to the agreement with Coffman Associates, Inc., to reflect the revised Scope of Services and related Final Cost Estimate for the Noise Compatibility Program Update for the Modesto City-County Airport, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City.

ACTION: Resolution 2006-682 (Marsh/Hawn; unan) amending the Adopted Capital Improvement Program Budget for Fiscal Year 2006-07 and appropriating $16,214 from the FAA Capital Grant (6320-440-A803-$15,403) and passenger facility charge (6320-440-A803-$811) to the Capital Improvement Project titled Noise Study (6320-440-A803) to fully fund this project.

CONSENT
30. Consider approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division.
· Resolution approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division, and authorize the City Manager, or his designee, to execute the agreement recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: Resolution 2006-683 (Marsh/Hawn; unan) approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division, and authorize the City Manager, or his designee, to execute the agreement.

Removed from Consent
31. Consider approving a five-year Water Services Agreement (WSA) with Basin Water Company for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000,approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the transfer of funds in the amount of $250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract
· Resolution approving a five-year Water Services Agreement (WSA) with Basin Water Company for a for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution authorizing the transfer of funds in the amount of $250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract recommended.
Public Works; Dennis Turner, 342-4575, dturner@modestogov.com

ACTION: Resolution 2006-684 (Hawn/Dunbar; unan.) approving a five-year Water Services Agreement (WSA) with Basin Water Company for a for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-685 (Hawn/Dunbar; unan) approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-686 (Hawn/Dunbar; unan) authorizing the transfer of funds in the amount of

$250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract.

Removed from Consent
32. Consider accepting the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process.
· Motion accepting the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process recommended.
Public Works; Dennis Turner, 342-4575, dturner@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process.

Removed from Consent
33. Consider accepting the Draft Engineer's Report for the proposed Wastewater Collection System and Treatment Improvements.
· Resolution accepting: (1) Draft Engineer's Report, Justification and Cost Allocation for Proposed Wastewater Collection System and Treatment Improvements; (2) Draft Wastewater Collection System Master Plan; and (3) Draft Wastewater Treatment Master Plan; and directing staff to utilize the above reports as the basis for a wastewater cost of service study to determine appropriate sewer rates and sewer capacity charges recommended.
Public Works; Richard Ulm, 577-5261, rulm@modestogov.com

ACTION: Resolution 2006-687 (Marsh/Hawn; unan.) accepting: (1) Draft Engineer's Report, Justification and Cost Allocation for Proposed Wastewater Collection System and Treatment Improvements; (2) Draft Wastewater Collection System Master Plan; and (3) Draft Wastewater Treatment Master Plan; and directing staff to utilize the above reports as the basis for a wastewater cost of service study to determine appropriate sewer rates and sewer capacity charges.

COUNCIL COMMENTS & REPORTS

34. Report by Councilmember Olsen regarding release of draft report of water rate study and public comment period.

Councilmember Olsen announced that the report had been released and copies are available in the City Clerk's office and requested the public comment begin tonight.
The Mayor announced that the public hearing will be moved to November 14, 2006.

Councilmember Marsh welcomed his grandson Steven to the meeting.

CITY MANAGER COMMENTS & REPORTS

None.

HEARINGS

Published in the Modesto Bee on September 30, 2006; continued from October 10, 2006.
35. Hearing calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 13) and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 (Village One #2).
· Resolution of the City Council of the City of Modesto Calling for an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13) recommended.
· Resolution of the City Council of the City of Modesto Canvassing the results of the October 24, 2006, Election Held Within the Territory Proposed to be Annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 13) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-688 (Hawn/Olsen; unan.) of the City Council of the City of Modesto Calling for an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13).

ACTION: Resolution 2006-689 (Hawn/Olsen; unan.) of the City Council of the City of Modesto Canvassing the results of the October 24, 2006, Election Held Within the Territory Proposed to be Annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 13).

Published in the Modesto Bee on October 8, 2006; published in Vida on October 11, 2006

36. Hearing to consider the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD).
· Resolution approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD) recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-690 (Olsen/Hawn; unan.) approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD).

Published in the Modesto Bee on October 6, 2006.
37. Hearing to consider amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law.
· Motion introducing Ordinance No. 3428–C.S. amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law recommended.
City Attorney's Office; Susana Wood; 577-5284, swood@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) introduced Ordinance No. 3428–C.S. amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law.

NEW BUSINESS

38. Consider approving new ten-year License and Maintenance Agreements with the Modesto Nuts.
· Resolution approving a new ten-year license agreement with the Modesto Nuts Professional Baseball Club and authorizing the City Manager to execute said agreement recommended.
· Resolution approving a maintenance agreement between the City of Modesto and the Modesto Nuts Professional Baseball Club and authorizing the City Manager, or his designee to execute the Agreement recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2006-691 (Dunbar/Hawn; unan.) approving a new ten-year license agreement with the Modesto Nuts Professional Baseball Club and authorizing the City Manager to execute said agreement.

ACTION: Resolution 2006-692 (Dunbar/Hawn; unan) approving a maintenance agreement between the City of Modesto and the Modesto Nuts Professional Baseball Club and authorizing the City Manager, or his designee to execute the Agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:15 p.m..

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Karin Rodriguez, Jocelyn Reed and Debra Eggerman v. City of Modesto, et al. - Superior Court Case No. 353721

****
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Fire Fighters Association

****

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MPNSA

Agency Negotiators: George Britton, City Manager
Barbara Santos, Deputy Director of Personnel

Employee Organization: Modesto Police Non Sworn Association

****

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code. One potential case.

****

Removed from Agenda
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of Sylvan School District surplus property located on Floyd Avenue, at the intersection of Floyd Avenue and Lincoln Oak Drive

APN: 077-008-027 - .48 Acres +

Negotiating parties: Vickey Dion, CFD Engineer - for the City
Ron Lebs - negotiating for Sylvan Union School District

Under negotiation: Price and terms of sale of property.

****

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of real property located at 2960 Scenic Drive

APN: 067-034-005

George and Delores Medina, Owner

Negotiating parties: Richard Ulm, Deputy Director of Capital Improvement Services, for City of Modesto.

Under negotiation: Price and terms of sale of property.

OFFICIAL BALLOT

BALLOT NO. 1

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

06 OCT 20 AM 9:45

ANNEXATION NO. 13

SPECIAL TAX ELECTION

October 24, 2006

NUMBER OF VOTES ENTITLED TO BE CAST: 11
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-528, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 13)" adopted by the City Council of the City of Modesto on September 5, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☒

NO ☐

BALLOT NO. 1

THIS BALLOT HAS A VALUE OF 11 VOTES

06 OCT 20 AM 9:45

.AUTHORIZATION
(BALLOT NO. 1)

I, **Wendell Naraghi**, certify as follows:

(1) I am the Authorized Representative of **Wendell J. Naraghi and Margaret Naraghi-Quattrin and Sharon Naraghi, Co-Successor Trustees of the Nora Naraghi Separate Property Trust Under Agreement dated November 7, 2000**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 13 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Number **077-008-030** (the "Parcel"), which comprises approximately **10.04** acres of land within the Annexed Territory; and

(5) there are no registered voters on the Parcel.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on Oct. 17, 2006 at 1800 Oakdale Road, Suite 6 Modesto, California

Signature of Authorized Representative (Voter)

P.O. Box 5179418
Modesto, CA 95357

Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2006-689

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE OCTOBER 24, 2006, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 13)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2006-528, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 13)" adopted on September 5, 2006, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2"), create Tax Zone #2 within the District; and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2; and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2006-688, adopted on October 24, 2006, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for October 24, 2006, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on October 24, 2006, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owner or owners of the territory proposed to be annexed are as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is **attached.**

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2006-528 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of October 2006, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: Jean Morris
JEAN MORRIS, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

CERTIFICATE OF CITY CLERK

I, JEAN MORRIS, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2006-688, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13) adopted on September 5, 2006, by the City Council of the City of Modesto, I did conduct the Special Tax Election on October 24, 2006, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2006-528, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 13)" adopted by the City Council of the City of Modesto on September 5, 2006, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 11 NO 0

Jean Morris

Jean Morris
City Clerk of the City of Modesto

Dated: 10/26, 2006

City Clerk's Office

The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, October 24, 2006, at 5:30 p.m.

Roll Call –Present: Councilmembers Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Mayor Ridenour

Absent: None

Pledge of Allegiance to the Flag

Invocation: Marvin Jacobo, Youth for Christ

Due to the length of the agenda, Mayor Ridenour imposed a 5 minute time limit for each speaker and 30 minutes total for each item.

City Clerk's Announcements - Items 31, 32 & 33 removed from Consent

Declaration of Conflicts of Interest

Reports from Closed Session - None

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to the Friends of the Modesto Library proclaiming October 22-28, 2006 "National Friends of Libraries Week."
City Manager's Office; Kathy Espinoza, 571-5597, kespinoza@modestogov.com
· Mayor Ridenour made the presentation.

2. Presentation of Proclamation to Modesto Police Department proclaiming November 1, 2006 Law Enforcement Records and Support Personnel Day.
City Manager's Office; Kathy Espinoza, 571-5597, kespinoza@modestogov.com
· Mayor Ridenour presented the proclamation.

ORAL COMMUNICATIONS
Three minute time limit per speaker

Eric Reimer expressed his concern regarding a violation of a CUP and requested action from the City Manager's office or the Council. He also requested the time of the comment period for the water rate study begin at the time the report is reviewed by Rich Rudnansky.

Lynda Rigney, mobilehome owner expressed concern with increased rent.
Vice Mayor O'Bryant reviewed the discussions of the previous meetings and explained that language for an ordinance is being developed. He announced that the next meeting is scheduled for mid-November.
Susan Turner – Morningside Mobilehome park made an ordinance language suggestion.
Sally Studer – Morningside Mobilehome park reviewed rent increases from the year 2000.
Ray Newman – Coralwood Mobilehome park concerned with
Judy Lawson resident of Stanislaus Mobilehome park spoke regarding the deterioration of the park and the rent increases.
Councilmember Marsh announced that the City could only address parks within the City limits, but are working with the County regarding the ordinance.
Dave Lewis – Silverwood Park residence noted the rent increases
Don Wilson – Coralwood Mobilehome park – Proposition 90 questions, mobilehome park rent increases

Councilmember Marsh – explained the Council could not take action on items that are not on the agenda Councilmember Keating requested contact information to keep the mobilehome park residents informed.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 3 through 33

ACTION Consent Items: 3-25, 27-30

ACTION Consent Item 31: Hawn/Dunbar; unan.

ACTION Consent Item 32: Marsh/Hawn; unan.

ACTION Consent Item 33: Marsh/Hawn; unan.

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
3. Consider approval of the minutes of the regular City Council meeting of October 10, 2006.
· Motion approving recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan.) approving the Minutes of October 10, 2006.

CONSENT
4. Consider approving the final adoption of Ordinance No. 3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning.
· Motion approving final adoption of Ordinance No. 3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan.) adopting Ordinance No.3427-C.S. amending Sections 10-2.241.4.a, 10□2.241.4.b, 10-2.402, 10-2.502, 10-2.503, 10-2.504, 10-2.603, 10-2.609, 10-2.703, 10-2.709, 10-2.902, 10-2.903, 10-2.1003, 10□2.1202, 10-2.1302, 10-2.1304, 10-2.1402, 10-2.1404, 10□2.1502, 10-2.1602, 10-2.1604, 10-2.2002, 10-2.2306, 10-3.102, 10-3.103, 10-3.104, 10-3.105, 10-3.202, 10-3.204, and 10-3.301 of Title 10 of the Modesto Municipal Code; adding Section 10-2.234.3 thereto; adding Article 5 to Chapter 3 thereto; and repealing Sections 10□2.403, 10-2.1103, 10-2.1203, 10-2.1303, 10-2.1403, 10-2.1503, 10-2.1603, 10-2.2332, 10-3.109, 10-3.110, 10-3.111, and 10□3.201 thereof relating to planning and zoning.

CONSENT
5. Consider sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center.
· Resolution sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center recommended.
City Manager's Office; Bryan Whitemyer, 571-5580, bwhitemyer@modestogov.com

ACTION: Resolution 2006-652 (Marsh/Hawn; unan) sponsoring the Stanislaus County Ag Center Foundation's application to secure $217,500 in grant funding from the Economic Development Bank for the installation of water, sewer, and storm drainage infrastructure for the future Ag Science Center.

CONSENT
6. Consider approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the southwest corner of Briggsmore Avenue and Oakdale Road.
· Resolution approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the

southwest corner of Briggsmore Avenue and Oakdale Road, and authorizing the City Manager to execute the Agreement and finding that the Agreement is within the scope of the previously certified Modesto Urban Area General Plan Master EIR (SCH NO. 19999082041) recommended.
City Manager's Office; Amy Gedney, (577-5211), agedney@modestogov.com

ACTION: Resolution 2006-653 (Marsh/Hawn; unan) approving a Capital Facilities Fee Reimbursement Agreement between the City of Modesto and Warner Soelling with a maximum reimbursement amount of $326,966.77 for street improvements on the southwest corner of Briggsmore Avenue and Oakdale Road, and authorizing the City Manager to execute the Agreement and finding that the Agreement is within the scope of the previously certified Modesto Urban Area General Plan Master EIR (SCH NO. 19999082041).

CONSENT
7. Consider approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs").
· Resolution approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs") and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-654 (Marsh/Hawn; unan) approving a Master Professional Services Agreement for Consultant Services with Muni-Financial for the preparation of Facilities Master Plans ("FMPs"), Infrastructure Finance Plans ("IFPs"), and for formation of Community Facilities Districts ("CFDs") and authorizing the City Manager to execute the Agreement.

CONSENT
8. Consider approving Task Order No. 1 to the Master Professional Services Agreement with Muni-Financial for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District and amending the fiscal year 2006-2007 operating budget to create a multi-year account for the Pelandale-McHenry Specific Plan Area.
· Resolution approving Task Order No. 1 to the Master Professional Services Agreement with MuniFinancial, a California corporation, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area recommended.
· Resolution amending the fiscal year 2006-2007 operating budget to create a multi-year account (2900-020-0263) and appropriating $8,736.00, funded by Meritage Homes of California, Incorporated, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-655 (Marsh/Hawn; unan) approving Task Order No. 1 to the Master Professional Services Agreement with MuniFinancial, a California corporation, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.

ACTION: Resolution 2006-656 (Marsh/Hawn; unan) amending the fiscal year 2006-2007 operating budget to create a multi-year account (2900-020-0263) and appropriating $8,736.00, funded by Meritage Homes of California, Incorporated, for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.

CONSENT
9. Consider approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area with Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area.
· Resolution approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area between the City of Modesto and Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area and authorizing the City Manager to execute the Agreement recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-657 (Marsh/Hawn; unan) approving an Advanced Funding Agreement for the Pelandale-McHenry Specific Plan Area between the City of Modesto and Meritage Homes of California, Inc. for the preparation of a Facilities Master Plan, Infrastructure Finance Plan, and for formation of a Community Facilities District for the Pelandale-McHenry Specific Plan Area and authorizing the City Manager to execute the Agreement.

CONSENT
10. Consider approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782.

· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-658 (Marsh/Hawn; unan) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

CONSENT
11. Consider approving (1) an Acquisition & Shortfall Agreement with a maximum reimbursement amount of $180,658.62 and (2) a Right-of-Way Reimbursement Agreement with a maximum reimbursement amount of $58,779.16 between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for improvements on the east side of Oakdale Road, north of LaForce Drive.
· Resolution approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
· Resolution approving a CFD Right-of-Way Reimbursement Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for 0.1583 acres on the east side of Oakdale Road, north of LaForce Drive, with a maximum reimbursement amount of $58,779.16, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-659 (Marsh/Hawn; unan) approving an Acquisition and Shortfall Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and Standard Pacific Homes Corp., a Delaware Corporation, for improvements on the east side of Roselle Avenue, north of Kodiak Drive, with a maximum reimbursement amount of $506,782, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects of the Agreement have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Final Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

ACTION: Resolution 2006-660 (Marsh/Hawn; unan) approving a CFD Right-of-Way Reimbursement Agreement between City of Modesto Community Facilities District No. 2004-1 (Village One #2) and PPC Sunrise, LLC, a California Limited Liability Company, for 0.1583 acres on the east side of Oakdale Road, north of LaForce Drive, with a maximum reimbursement amount of $58,779.16, authorizing the District Administrator to execute the Agreement, and finding that the potential environmental effects have been adequately addressed by the previously certified Village One Specific Plan Program EIR as amended by the 1994 Supplemental EIR (SCH No. 90020181), and the 2003 Addendum to the EIR.

CONSENT
12. Consider approving the monthly investment report for August 2006.
· Motion acknowledging receipt and acceptance of the Monthly Investment Report for August 2006 recommended.
Finance; Belinda Duerksen, 577-5376, bduerksen@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted Monthly Investment Report for August 2006.

CONSENT
13. Consider the award of bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000.
· Resolution awarding the bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000 recommended.

Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-661 (Marsh/Hawn; unan) awarding the bid and contract for the provision of rental equipment services on a Citywide basis to Hertz Equipment Rental Corporation, Holt of California, and United Rental Coldwell for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $350,000.

CONSENT
14. Consider authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.
· Resolution authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-662 (Marsh/Hawn; unan) authorizing the Purchasing Manager to issue a formal Request for Bids (RFB) for liquid chlorine and sodium hypochlorite for an initial two (2) year period, with three (3) one-year contract extensions, at the sole discretion of the City, for an estimated annual cost of $197,000.

CONSENT
15. Consider authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40.
· Resolution authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40 recommended.
Finance; Tom Reddie, 577-5406, treddie@modestogov.com

ACTION: Resolution 2006-663 (Marsh/Hawn; unan) authorizing the award of bid and contract for the purchase of liquid ferric chloride to Kemiron Companies, Inc. for an initial two (2) year period, with three (3) additional one-year contract extension options, at the sole discretion of the City, for a total estimated annual cost of $178,551.40.

CONSENT
16. Consider approving adoption of the National Incident Management System (NIMS) as recommended by Homeland Security Presidential Directive – 5 (HSPD-5).
· Resolution approving adoption of the National Incident Management System recommended.
Fire; James Miguel, 572-9590, jmiguel@modestogov.com

ACTION: Resolution 2006-664 (Marsh/Hawn; unan) approving adoption of the National Incident Management System.

CONSENT
17. Consider reallocation of Equipment Operator Position to Equipment Mechanic in the Parks, Recreation & Neighborhoods Department, Solid Waste Division, Compost Enterprise Fund.
· Resolution amending the Parks, Recreation and Neighborhoods Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one (1) Equipment Operator Position in Organization 5222, Compost Enterprise Fund, to the position of Equipment Mechanic in Organization 5222, Compost Enterprise Fund, in the Solid Waste Division recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-665 (Marsh/Hawn; unan) amending the Parks, Recreation and Neighborhoods Department position allocation as adopted by the City Council as part of the FY 06-07 budget to reallocate one (1) Equipment Operator Position in Organization 5222, Compost Enterprise Fund, to the position of Equipment Mechanic in Organization 5222, Compost Enterprise Fund, in the Solid Waste Division.

CONSENT
18. Consider setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently served by Waste Management, with such Agreement(s) to become effective January 1, 2007.
· Resolution setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently held by Waste Management recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-666 (Marsh/Hawn; unan) setting a public hearing for November 8, 2006 to consider request(s) to enter into Service Agreement(s) for solid waste collection services in the Service Area currently held by Waste Management.

CONSENT

19. Consider an adjustment to the 2006-2007 Compost Facility Infrastructure Preservation CIP, and authorizing the Purchasing Manager to issue formal Request for Bids for the lease/purchase of a modular building and relocation/renovation of the existing modular building at Compost Facility, and authorization for Request for Bids for solar shade structure.
· Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the lease/purchase of a modular building for the Compost Facility, the relocation/renovation of the existing modular building, and for the purchase and installation of a solar shade cover for a FY 2006-2007 estimated cost of $80,000 and a total estimated cost of $189,500 over the life of this portion of the capital project recommended.
Parks, Recreation & Neighborhoods; Jocelyn Reed, 577-5492, jreed@modestogov.com

ACTION: Resolution 2006-667 (Marsh/Hawn; unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the lease/purchase of a modular building for the Compost Facility, the relocation/renovation of the existing modular building, and for the purchase and installation of a solar shade cover for a FY 2006-2007 estimated cost of $80,000 and a total estimated cost of $189,500 over the life of this portion of the capital project.

CONSENT
20. Consider accepting staff update on the status of the former Social Security Building at 1230 12th Street.
· Motion accepting staff update on the status of the former Social Security Building at 1230 12th Street recommended.
Parks, Recreation & Neighborhoods; Carol Averell, 577-5310, caverell@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted staff update on the status of the former Social Security Building at 1230 12th Street.

CONSENT
21. Consider accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System.
· Resolution accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services, to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $394,891 for the COPS 2006 Technology grant to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System recommended.
Police; Barbara Jackson, 572-9824, jacksonb@modestopd.com

ACTION: Resolution 2006-668 (Marsh/Hawn; unan) accepting the COPS 2006 Technology grant in the amount of $394,891 from the U.S. Department of Justice, Office of Community Oriented Policing Services, to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System; and authorizing the City Manager, or his designee, to execute the necessary program documents.

ACTION: Resolution 2006-669 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $394,891 for the COPS 2006 Technology grant to provide partial funding for the Computer Aided Dispatch (CAD) System, Integrated Public Safety System and Records Management System.

CONSENT
22. Consider accepting the Buckle Up Stanislaus grant in the amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems.
· Resolution accepting the Buckle Up Stanislaus grant in the amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $297,900 for the Buckle Up Stanislaus grant to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems recommended.
· Motion to amend the position allocation as adopted by the City Council as part of the 2006/07 budget to add one Community Services Officer to Organization 0410-190-2969 for the Buckle Up Stanislaus Grant recommended.
Police; William Ryan, 572-9824, ryanw@modestopd.com

ACTION: Resolution 2006-670 (Marsh/Hawn; unan) accepting the Buckle Up Stanislaus grant in the

amount of $297,900 from the State of California, Office of Traffic Safety (OTS), to fund one full-time Community Services Officer and officer overtime to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems; and authorizing the City Manager, or his designee, to execute the necessary program.

ACTION: Resolution 2006-671 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $297,900 for the Buckle Up Stanislaus grant to conduct car seat checkups and checkpoints and promote the proper use of seat belt and child restraint systems.

ACTION: By Motion (Marsh/Hawn; unan) amending the position allocation as adopted by the City Council as part of the 2006/07 budget to add one Community Services Officer to Organization 0410-190-2969 for the Buckle Up Stanislaus Grant.

CONSENT
23. Consider accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS).
· Resolution accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS) to provide four new full-time motor police officers and equipment to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses; and authorizing the City Manager, or his designee, to execute the necessary program documents recommended.
· Resolution amending the fiscal year 2006/07 operating budget, estimating revenue of $1,000,000 from the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses recommended.
· Resolution amending the fiscal year 2006/07 operating budget to appropriate a total of $315,000 in revenues to 0610-190-1908-4028 and increase the transfer to the general fund from $185,000 to $210,000 (0100-190-1961-4028) recommended.
· Motion to amend the position allocation as adopted by the City Council as part of the 2006/07 operating budget to add four Police Officer positions to Organization 0410-190-2968 for the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant recommended.
Police; William Ryan, 572-9824, ryanw@modestopd.com

ACTION: Resolution 2006-672 (Marsh/Hawn; unan) accepting the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant in the amount of $1,000,000 from the State of California, Office of Traffic Safety (OTS) to provide four new full-time motor police officers and equipment to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses; and authorizing the City Manager, or his designee, to execute the necessary program documents.

ACTION: Resolution 2006-673 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget, estimating revenue of $1,000,000 from the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant to reduce persons killed and injured in traffic collisions, alcohol involved crashes, and traffic crashes involving drivers with suspended or revoked licenses.

ACTION: Resolution 2006-674 (Marsh/Hawn; unan) amending the fiscal year 2006/07 operating budget to appropriate a total of $315,000 in revenues to 0610-190-1908-4028 and increase the transfer to the general fund from $185,000 to $210,000 (0100-190-1961-4028).

ACTION: By Motion (Marsh/Hawn; unan) amending the position allocation as adopted by the City Council as part of the 2006/07 operating budget to add four Police Officer positions to Organization 0410-190-2968 for the Vehicle Impound/DUI/Selective Traffic Enforcement Program (STEP) grant.

CONSENT
24. Consider approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year. Total cost for four (4) years is not to exceed $400,000.
· Resolution approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $400,000 recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-675 (Marsh/Hawn; unan) approving an Agreement with Stantec Consulting Inc. for On-call Survey and Plan Line Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $100,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $400,000.

CONSENT
25. Consider approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year. Total cost for four (4) years is not to exceed $160,000.
· Resolution approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $160,000 recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-676 (Marsh/Hawn; unan) approving an Agreement with TBE Group, Inc. for On-call Utility Location Services for various Public Works – Capital Improvement Services (CIS) projects for one (1) year with three (3) one (1) year extension options, at the sole discretion of City, in an amount not-to-exceed $40,000 per year, and authorizing the City Manager, or his designee, to execute the Agreement and up to three (3) one (1) year extension options. Total cost for four (4) years is not to exceed $160,000.

Removed from Consent
26. Consider adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing" and approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing." Total estimated cost of this project is $2,385,483.29, which includes construction contingency, construction administration, and engineering design
· Resolution adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing" recommended.
· Resolution approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing," and authorizing the City Manager, or his designee, to execute the contract recommended.
Public Works; Dean Phillips, 577-5260, dphillips@modestogov.com

ACTION: Resolution 2006-677 (Marsh/Hawn; unan) adopting a Mitigated Negative Declaration (EA/PW 2005-13) and a Mitigation Monitoring and Reporting Program for the project titled "Sylvan Avenue Pedestrian Overcrossing".

ACTION: Resolution 2006-678 (Marsh/Hawn; unan) approving the plans and specifications for the project titled "Sylvan Avenue Pedestrian Overcrossing," accepting the bid and approving a $1,556,375.00 contract with MCM Construction, Inc., for the project titled, "Sylvan Avenue Pedestrian Overcrossing," and authorizing the City Manager, or his designee, to execute the contract.

CONSENT
27. Consider approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane.
· Resolution approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane; and authorizing the City Manager, or his designee, to execute the Agreement recommended.
Public Works; Lee Dumas, 571-5537, ldumas@modestogov.com

ACTION: Resolution 2006-679 (Marsh/Hawn; unan) approving an Agreement Consenting to Common Use between the Modesto Irrigation District and the City of Modesto regarding the construction of a westbound traffic turn lane at the intersection of Standiford and Dale Roads, along District's Lateral No. 7 for the purpose of improving traffic flow at the intersection, and to make such improvements to the District's Lateral No. 7 as are necessary to maintain Lateral No. 7 in light of the installation of the new traffic turn lane; and authorizing the City Manager, or his designee, to execute the Agreement.

CONSENT
28. Consider approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City. This suspension will reduce airport revenues approximately $700 per month, or $8,400 annually.
· Resolution approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City

Manager, or his designee, to execute the amendment on behalf of the City recommended.
Public Works; Michael Musca, 577-5318, mmusca@modestogov.com

ACTION: Resolution 2006-680 (Marsh/Hawn; unan) approving a third amendment to the lease agreement with Modesto Executive Air Charter, dba Sky Trek Aviation, which allows a suspension retroactively from December 31, 2005 to July 1, 2007 of a 5% sublease fee that Sky Trek Aviation pays to the City on gross rents received, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City.

CONSENT
29. Consider an Amendment to Professional Services Agreement Airport Master Plan and Noise Study Update with Coffman Associates, Inc.
· Resolution approving an amendment to the agreement with Coffman Associates, Inc., to reflect the revised Scope of Services and related Final Cost Estimate for the Noise Compatibility Program Update for the Modesto City-County Airport, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City recommended.
· Resolution amending the Adopted Capital Improvement Program Budget for Fiscal Year 2006-07 and appropriating $16,214 from the FAA Capital Grant (6320-440-A803- $15,403) and passenger facility charge (6320-440-A803-$811) to the Capital Improvement Project titled Noise Study (6320-440-A803) to fully fund this project recommended.
Public Works; Michael Musca, 577-5319, mmusca@modestogov.com

ACTION: Resolution 2006-681 (Marsh/Hawn; unan) approving an amendment to the agreement with Coffman Associates, Inc., to reflect the revised Scope of Services and related Final Cost Estimate for the Noise Compatibility Program Update for the Modesto City-County Airport, and authorize the City Manager, or his designee, to execute the amendment on behalf of the City.

ACTION: Resolution 2006-682 (Marsh/Hawn; unan) amending the Adopted Capital Improvement Program Budget for Fiscal Year 2006-07 and appropriating $16,214 from the FAA Capital Grant (6320-440-A803-$15,403) and passenger facility charge (6320-440-A803-$811) to the Capital Improvement Project titled Noise Study (6320-440-A803) to fully fund this project.

CONSENT
30. Consider approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division.
· Resolution approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division, and authorize the City Manager, or his designee, to execute the agreement recommended.
Public Works; Dan Wilkowsky, 577-6255, dwilkowsky@modestogov.com

ACTION: Resolution 2006-683 (Marsh/Hawn; unan) approving an agreement with HDR Engineering Inc. in an amount not to exceed $55,500 to provide a Resource Analysis for the City's ability to comply with state-mandated Waste Discharge Requirements for the Wastewater Collections Division, and authorize the City Manager, or his designee, to execute the agreement.

Removed from Consent
31. Consider approving a five-year Water Services Agreement (WSA) with Basin Water Company for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000,approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the transfer of funds in the amount of $250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract
· Resolution approving a five-year Water Services Agreement (WSA) with Basin Water Company for a for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the City Manager, or his designee, to execute the agreement recommended.
· Resolution authorizing the transfer of funds in the amount of $250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract recommended.
Public Works; Dennis Turner, 342-4575, dturner@modestogov.com

ACTION: Resolution 2006-684 (Hawn/Dunbar; unan.) approving a five-year Water Services Agreement (WSA) with Basin Water Company for a for water treatment facilities at Well #66 (Galas) at an annual estimated cost of $250,000, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-685 (Hawn/Dunbar; unan) approving a five-year agreement with Basin Water Company for a Performance Criteria Guarantee (PCG) for water treatment facilities at Well #66 (Galas) at no cost to the City, and authorizing the City Manager, or his designee, to execute the agreement.

ACTION: Resolution 2006-686 (Hawn/Dunbar; unan) authorizing the transfer of funds in the amount of

$250,000 from the Water Reserve Fund into Operating Account 6100-480-5013-0264, Long Term Contract.

Removed from Consent
32. Consider accepting the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process.
· Motion accepting the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process recommended.
Public Works; Dennis Turner, 342-4575, dturner@modestogov.com

ACTION: By Motion (Marsh/Hawn; unan) accepted the report on the scope and status of the Request for Proposals (RFP) for Community Forestry Maintenance Services, and directing staff to proceed with the RFQ/RFP process.

Removed from Consent
33. Consider accepting the Draft Engineer's Report for the proposed Wastewater Collection System and Treatment Improvements.
· Resolution accepting: (1) Draft Engineer's Report, Justification and Cost Allocation for Proposed Wastewater Collection System and Treatment Improvements; (2) Draft Wastewater Collection System Master Plan; and (3) Draft Wastewater Treatment Master Plan; and directing staff to utilize the above reports as the basis for a wastewater cost of service study to determine appropriate sewer rates and sewer capacity charges recommended.
Public Works; Richard Ulm, 577-5261, rulm@modestogov.com

ACTION: Resolution 2006-687 (Marsh/Hawn; unan.) accepting: (1) Draft Engineer's Report, Justification and Cost Allocation for Proposed Wastewater Collection System and Treatment Improvements; (2) Draft Wastewater Collection System Master Plan; and (3) Draft Wastewater Treatment Master Plan; and directing staff to utilize the above reports as the basis for a wastewater cost of service study to determine appropriate sewer rates and sewer capacity charges.

COUNCIL COMMENTS & REPORTS

34. Report by Councilmember Olsen regarding release of draft report of water rate study and public comment period.

Councilmember Olsen announced that the report had been released and copies are available in the City Clerk's office and requested the public comment begin tonight.
The Mayor announced that the public hearing will be moved to November 14, 2006.

Councilmember Marsh welcomed his grandson Steven to the meeting.

CITY MANAGER COMMENTS & REPORTS

None.

HEARINGS

Published in the Modesto Bee on September 30, 2006; continued from October 10, 2006.
35. Hearing calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 13) and canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 (Village One #2).
· Resolution of the City Council of the City of Modesto Calling for an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13) recommended.
· Resolution of the City Council of the City of Modesto Canvassing the results of the October 24, 2006, Election Held Within the Territory Proposed to be Annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 13) recommended.
City Manager's Office; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2006-688 (Hawn/Olsen; unan.) of the City Council of the City of Modesto Calling for an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 13).

ACTION: Resolution 2006-689 (Hawn/Olsen; unan.) of the City Council of the City of Modesto Canvassing the results of the October 24, 2006, Election Held Within the Territory Proposed to be Annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2), and Ordering Annexation of the Territory to the District (Annexation No. 13).

Published in the Modesto Bee on October 8, 2006; published in Vida on October 11, 2006

36. Hearing to consider the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD).
· Resolution approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD) recommended.
Parks, Recreation & Neighborhoods; Barbara Kauss, 577-5275, bkauss@modestogov.com

ACTION: Resolution 2006-690 (Olsen/Hawn; unan.) approving the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2005-2006, and re-authorizing the City Manager, or his designee, to submit the report to the U.S. Department of Housing and Urban Development (HUD).

Published in the Modesto Bee on October 6, 2006.
37. Hearing to consider amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law.
· Motion introducing Ordinance No. 3428-C.S. amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law recommended.
City Attorney's Office; Susana Wood; 577-5284, swood@modestogov.com

ACTION: By Motion (Dunbar/Hawn; unan.) introduced Ordinance No. 3428-C.S. amending Sections 10-2.234.2 and 10-2.307 of Chapter 2 of Title 10, Adding Sections 10-2.2203 and 10-2.2204 to Chapter 2 of Title 10, and Repealing Article 24.1 of Chapter 2 of Title 10 of the Modesto Municipal Code Pertaining to Medical Marijuana Dispensaries and Uses Prohibited by State and Federal Law.

NEW BUSINESS

38. Consider approving new ten-year License and Maintenance Agreements with the Modesto Nuts.
· Resolution approving a new ten-year license agreement with the Modesto Nuts Professional Baseball Club and authorizing the City Manager to execute said agreement recommended.
· Resolution approving a maintenance agreement between the City of Modesto and the Modesto Nuts Professional Baseball Club and authorizing the City Manager, or his designee to execute the Agreement recommended.
Parks, Recreation & Neighborhoods; Bob Quintella, 577-6444, bquintella@modestogov.com

ACTION: Resolution 2006-691 (Dunbar/Hawn; unan.) approving a new ten-year license agreement with the Modesto Nuts Professional Baseball Club and authorizing the City Manager to execute said agreement.

ACTION: Resolution 2006-692 (Dunbar/Hawn; unan) approving a maintenance agreement between the City of Modesto and the Modesto Nuts Professional Baseball Club and authorizing the City Manager, or his designee to execute the Agreement.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 7:15 p.m.

CLOSED SESSION

All closed sessions heard prior to the meeting.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: Karin Rodriguez, Jocelyn Reed and Debra Eggerman v. City of Modesto, et al. - Superior Court Case No. 353721

****
CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCFFA

Agency Negotiators: George Britton, City Manager
Robin Renwick, Personnel Director

Employee Organization: Modesto City Fire Fighters Association

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CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MPNSA

Agency Negotiators: George Britton, City Manager
Barbara Santos, Deputy Director of Personnel

Employee Organization: Modesto Police Non Sworn Association

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CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code. One potential case.

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Removed from Agenda
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of Sylvan School District surplus property located on Floyd Avenue, at the intersection of Floyd Avenue and Lincoln Oak Drive

APN: 077-008-027 - .48 Acres +

Negotiating parties: Vickey Dion, CFD Engineer - for the City
Ron Lebs - negotiating for Sylvan Union School District

Under negotiation: Price and terms of sale of property.

****

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Pursuant to Section 54956.8 of the Government Code)

Property: Acquisition of real property located at 2960 Scenic Drive

APN: 067-034-005

George and Delores Medina, Owner

Negotiating parties: Richard Ulm, Deputy Director of Capital Improvement Services, for City of Modesto.

Under negotiation: Price and terms of sale of property.

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2006-0160587-00
Monday, OCT 30, 2006 15:13:16
Ttl Pd $0.00 Nbr-0002201732
BJE/R2/1-3

Recording requested by and
when recorded, please return to:

Jean Morris, City Clerk
City of Modesto
P.O. Box 642
Modesto, California 95353

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 13)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on October 24, 2006. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized

costs and expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 13), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 13), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
077-008-030	Wendell J. Naraghi and Margaret Naraghi-Quattrin and Sharon Naraghi, Co Successor Trustees of the Nora Naraghi Separate Property Trust Under the Agreement dated November 7, 2000

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 13 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on September 8, 2006, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 57, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: October 27, 2006

Jean Morris

Jean Morris
City Clerk of the City of Modesto

STATE OF CALIFORNIA)
) SS
COUNTY OF STANISLAUS)

On 10/27/06 before me, Esthen Puckett
[insert date] [Here insert name of notary]

personally appeared Jean Morris

☒ personally known to me, or

☐ 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(ties), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Esther Puckett [Seal]

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008

MODESTO CITY COUNCIL
RESOLUTION NO. 2008-298

A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (ANNEXATION NO. 14)

WHEREAS, pursuant to Chapter 2.5 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), proceedings for the annexation of territory to an existing community facilities district may, pursuant to Article 3.5 of the Act, be instituted by the adoption by the legislative body of a resolution of intention to annex such territory, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-199, adopted on April 6, 2004 (the "Resolution of Formation"), establish the City's Community Facilities District No. 2004-1 (Village One #2) (the "District"), and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2), create Tax Zone #2 within the District, and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1, and

WHEREAS, pursuant to California Streets and Highways Code Section 3113.5, this Council did, by its Resolution No. 2005-566, adopted on November 9, 2005, direct that all prior modifications, amendments and annexations to the District be consolidated into a single map of the District, specifically all prior boundary maps and amendments thereto related to formation of the District and Annexation Nos. 1 through 10 to the District, and

WHEREAS, on November 23, 2005, said boundary maps were consolidated into a single map entitled "Consolidation of Boundary Maps of Community Facilities District No. 2004-1 (Village One #2)" and recorded with the County Recorder of the County of Stanislaus at Book 4 of Maps of Assessments and Communities Facilities Districts, at Page 33 (the "Consolidated Boundary Map"), and

WHEREAS, subsequent to the recordation of the Consolidated Boundary Map, additional territory was annexed to the District through Annexations Nos. 11, 12 and 13, and

WHEREAS, this Council hereby determines that the public convenience and necessity require the annexation of additional certain territory to the District, and

WHEREAS, the territory to be annexed is within the City limits, and

WHEREAS, it is intended that the territory be annexed to Tax Zone #2,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto, California, that:

SECTION 1. The above recitals are true and correct.

SECTION 2. The current boundaries of the District are shown on the Consolidated Boundary Map as supplemented by the map entitled "Annexation Map No. 11 of Community Facilities District No. 2004-1 (Village One #2)" on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 36, the map entitled "Annexation Map No. 12 of Community Facilities District No. 2004-1 (Village One #2) on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts, at Page 42 and the map entitled "Annexation Map No. 13 of Community Facilities District NO. 2004-1 (Village One #2) on file with the County Recorder at Book 4 of Maps of Assessment and Community Facilities Districts at Page 57.

SECTION 3. The territory proposed to be annexed to the District (the "Territory") is described in **Exhibit A.**

SECTION 4. The boundaries of the Territory are also shown on the map thereof, entitled "Annexation Map No. 14 of Community Facilities District No. 2004-1 (Village One #2), City of Modesto, County of Stanislaus, State of California," on file in the office of the City Clerk, which map is hereby approved and adopted. Pursuant to Sections 3110.5 and 3113 of the California Streets and Highways Code, the City Clerk shall endorse her certificate on the original and one copy of the map evidencing the date and adoption of this Resolution, file the original in her office and, not later than ten days after the adoption of this Resolution, file a copy of the map with the County Recorder of the County of Stanislaus. The map shall contain the legends provided in Sections 3110, 3110.5, and 3313 of the California Streets and Highways Code, including a reference to the title, book, page and recording date of the original boundary map of the District.

SECTION 5. The public facilities and services to be provided for the District are set forth in the Resolution of Formation. It is intended that these same facilities and services be provided to the Territory.

SECTION 6. The special taxes to be levied in the District are set forth in the Resolution of Formation. It is intended that the same special taxes be levied in the Territory, except that the increase of the One-Time Facilities Special Tax component of the special taxes, as authorized by the Resolution of Creation of Tax Zone #2, shall be levied in the Territory.

SECTION 7. A public hearing on this Resolution will be held at 5:30 p.m., or as soon thereafter as practicable, on Tuesday, June 10, 2008, at the regular meeting place of the City Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California 95353, such time being not less than 30 or more than 60 days following the adoption hereof.

SECTION 8. At the hearing, any interested persons for or against the annexation of the Territory to the District, and the levy of the special taxes therein, may appear and will be heard and considered. Any protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

SECTION 9. The City Clerk is directed to publish, not later than seven days prior thereto, a notice of the hearing, in the form required by the Act, in a newspaper of

general circulation published in the area of the District, being *The Modesto Bee*, and otherwise in accordance with Section 6061 of the California Government Code, stating (a) the text or a summary of this Resolution, (b) the time and place of the hearing, and (c) that all interested persons for or against the annexation of the Territory to the District or the levying of the special taxes in the Territory will be heard.

SECTION 10. (a) If a majority (but at least six) of the registered voters residing within the District or a majority (but at least six) of the registered voters residing within the Territory, or the owners of one-half or more of the area of the land in the District and not exempt from the special tax, or the owners of one-half or more of the Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the Territory to the District, or to levy in the Territory the special taxes to be levied in the District, shall be taken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

SECTION 11. At the conclusion of the hearing, if the Council determines to annex the Territory to the District, it will submit the levy of the special taxes to the qualified electors of the Territory in a special election.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 27th day of May, 2008, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: _____
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

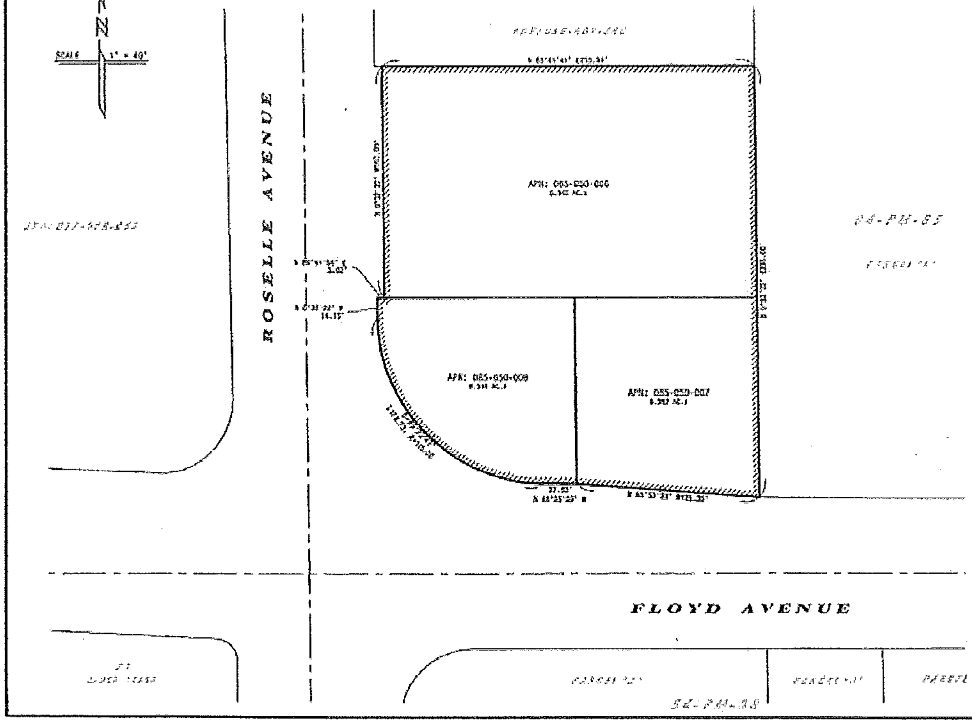
By: _____
SUSANA ALCALA WOOD, City Attorney

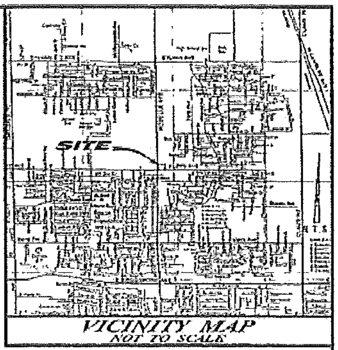
CITY OF MODESTO ANNEXATION MAP NO. 14 OF COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

PREPARED BY:
DELAMARE-FULTZ
ENGINEERING AND SURVEYING
[illegible]
TELEPHONE [illegible]

LEGEND
▨ BOUNDARY OF PROPERTY TO BE ANNEXED





VICINITY MAP
NOT TO SCALE

CERTIFICATES REQUIRED:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO THIS ________ DAY OF

____________________, 2006.
STEPHANIE LOPEZ, CITY CLERK

BY: ____________________

____
PRINT NAME

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO.14 TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON THE

________ DAY OF ____________________, 2006, BY ITS RESOLUTION NO.2006-___.
STEPHANIE LOPEZ, CITY CLERK

BY: ____________________

____
PRINT NAME

THIS IS A MAP OF THE AREA PROPOSED TO BE ANNEXED TO THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, THE CONSOLIDATION BOUNDARY MAP FOR WHICH WAS RECORDED ON NOVEMBER 23, 2005, IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 33, IN THE OFFICE OF THE COUNTY RECORDER, OF STANISLAUS COUNTY, STATE OF CALIFORNIA.
A MAP OF ANNEXATION NO.11 TO THE DISTRICT WAS RECORDED ON FEBRUARY 8, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 38, IN THAT OFFICE.
A MAP OF ANNEXATION NO.12 TO THE DISTRICT WAS RECORDED ON APRIL 20, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 47, IN THAT OFFICE.
A MAP OF ANNEXATION NO.13 TO THE DISTRICT WAS RECORDED ON SEPTEMBER 8, 2006 IN BOOK 4 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 57, IN THAT OFFICE.

STEPHANIE LOPEZ, CITY CLERK

BY: ____________________

____
PRINT NAME

FILED THIS ________ DAY OF ____________________, 2006, AT THE HOUR OF ________ O'CLOCK

___.M. IN BOOK ________ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) ________ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.
LEE LUNDRIGAN, COUNTY RECORDER OF THE
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: ____________________

____
PRINT NAME

SHEET 1 OF 1 SHEETS

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

- Archive
- Search

City Council Calendar

City Council's Home Page

The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES
City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday, May 27, 2008, at 5:30 p.m.

Roll Call Present: Councilmembers Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
Absent: None

Pledge of Allegiance to the Flag

Invocation: Jeff Norman, Modesto Covenant Church

City Clerk's Announcements – Items 5.A. and 12 Removed from Consent

Declaration of Conflicts of Interest - None

Reports from Closed Session – City Attorney Wood reported on Closed Session Items.

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation to Jennifer Mullen, Executive Director, Modesto Convention and Visitors Bureau proclaiming June 2008 Graffiti Summer Month.
City Manager; Kathy Espinoza, 577-5223, kespinoza@modestogov.com

ACTION: Presentation of Proclamation made by Mayor Ridenour to Jennifer Mullen, Executive Director, Modesto Convention and Visitors Bureau proclaiming June 2008 Graffiti Summer Month.

MISCELLANEOUS
Legislation
Appointments
Other

2. Consider accepting a letter of resignation from Richard McFarren from the Golf Courses Advisory Committee.
• Resolution accepting with regret the resignation of Richard McFarren from the Golf Courses Advisory Committee recommended.
City Manager's Office, Esther Puckett, 571-5101, epuckett@mestogov.com

ACTION: Resolution 2008-295 (Keating/Hawn;unan) accepting with regret the

resignation of Richard McFarren from the Golf Courses Advisory Committee.

3. Consider accepting a letter of resignation from Bill Zoslocki from the Airport Advisory Committee.
• Resolution accepting with regret the resignation of Bill Zoslocki from the Airport Advisory Committee recommended.
City Manager's Office, Esther Puckett, 571-5101, epuckett@mestogov.com

ACTION: Resolution 2008-296 (Keating/Hawn;unan) accepting with regret the resignation of Bill Zoslocki from the Airport Advisory Committee.

PUBLIC COMMENT PERIOD
Three minute time limit per speaker

None.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 4 through 16

ACTION CONSENT ITEMS - 4,5.B.,6-11,13-16 (Hawn/Olsen;unan)

ACTION ITEM 5.A. – (O'Bryant/Ridenour; majority; Hawn, Keating, Marsh no)

ACTION ITEM 12 – (Olsen/Hawn;majority; Keating, O'Bryant no)

CONSENT ITEMS
An item may be removed from consent and discussed at the request of an audience member or Councilmember.

CONSENT
4. Consider approval of the minutes of the regular City Council meeting of May 13, 2008.
• Motion approving recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (Hawn/Olsen;unan) approving the minutes of the regular City Council meeting of May 13, 2008.

ITEM 5.A. REMOVED FROM CONSENT
5. Consider final adoption of the following Ordinances:
A. **Ordinance No. 3487-C.S.** adding sections 2-1.24, 2-1.25, 2-1.26 and 2-1.27 to Chapter 1 of Title 2 of the Modesto Municipal Code relating to City Council Organization and Procedure (City Council Compensation).
• Motion approving final adoption of Ordinance No. 3487-C.S. recommended.

B. **Ordinance No. 3488-C.S.** amending Sections 10-2.2112 and 10-2.2114 of Chapter 2 of Title 10 of the Modesto Municipal Code relating to zoning regulations.
• Motion approving final adoption of Ordinance No. 3488-C.S. recommended.
Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

ACTION: By Motion (O'Bryant/Ridenour;majority; Hawn, Keating, Marsh no) approving the final adoption of Ordinance No. 3487-C.S. adding sections 2-1.24, 2-1.25, 2-1.26 and 2-1.27 to Chapter 1 of Title 2 of the Modesto Municipal Code relating to City Council Organization and Procedure.

ACTION: By Motion (Hawn/Olsen;unan) approving the final adoption of Ordinance No. 3488-C.S. amending Sections 10-2.2112 and 10-2.2114 of Chapter 2 of Title 10 of the Modesto Municipal Code relating to zoning regulations.

CONSENT
6. Consider approving an extension to the six-month provisional appointment of Brooks Taylor, Administrative Analyst, to June 30, 2008.
• Resolution approving an extension to the six-month provisional appointment of

Brooks Taylor, Administrative Analyst, to June 30, 2008 recommended.
City Attorney; Susana Wood, 577-5284, swood@modestogov.com

ACTION: Resolution 2008-297 (Hawn/Olsen;unan) approving an extension to the six-month provisional appointment of Brooks Taylor, Administrative Analyst, to June 30, 2008.

CONSENT
7. Consider annexing territory to Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 14).
• Resolution of intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 14) recommended.
Community & Economic Development; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2008-298 (Hawn/Olsen;unan) of intention to annex territory to Community Facilities District No. 2004-1 (Village One #2) and to authorize the levy of special taxes therein (Annexation No. 14).

CONSENT
8. Consider authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the furnishing of pest control service for use Citywide, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $40,000.
• Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the furnishing of pest control service for use Citywide, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $40,000 recommended.
Finance; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2008-299 (Hawn/Olsen;unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the furnishing of pest control service for use Citywide, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $40,000.

CONSENT
9. Consider approving an Agreement between the City of Modesto and the State of California, Office of Emergency Services (OES), to house and maintain an OES Type I fire apparatus.
• Resolution approving an Agreement between the City of Modesto and the State of California, Office of Emergency Services (OES), to house and maintain an OES Type I fire apparatus, and authorizing the Interim City Manager, or his designee, to execute the Agreement recommended.
Fire; Daniel Hinshaw, 572-9590, dhinshaw@modestofire.com

ACTION: Resolution 2008-300 (Hawn/Olsen;unan)approving an Agreement between the City of Modesto and the State of California, Office of Emergency Services (OES), to house and maintain an OES Type I fire apparatus, and authorizing the Interim City Manager, or his designee, to execute the Agreement

CONSENT
#. 10. Consider authorizing the Purchasing Manager to conduct a sole source purchase for an upgrade to the existing Xiotech Magnitude 3D Storage System for the Modesto Police Department In-Car Video Storage for an estimated total cost of $68,000.00.
• Resolution authorizing the Purchasing Manager to conduct a sole source purchase for an upgrade to the existing Xiotech Magnitude 3D Storage System for the Modesto Police Department In-Car Video Storage for an estimated total cost of $68,000.00 recommended.
Information Technology; Dave Truax, 571-5522, dtruax@modestogov.com

ACTION: Resolution 2008-301 (Hawn/Olsen;unan) authorizing the Purchasing Manager to conduct a sole source purchase for an upgrade to the existing Xiotech Magnitude 3D Storage System for the Modesto Police Department In-Car Video Storage for an estimated total cost of $68,000.00.

CONSENT
11. Consider approving an additional sixty (60) day extension to a 6-month provisional appointment for Jeanette Maurer as Administrative Analyst/Technology Solutions Analyst.
• Resolution approving an additional sixty (60) day extension to a 6-month provisional appointment for Jeanette Maurer as Administrative Analyst/Technology Solutions Analyst recommended.
Information Technology; Gary Cook, 577-5229, gcook@modestogov.com

ACTION: Resolution 2008-302 (Hawn/Olsen;unan) approving an additional sixty (60) day extension to a 6-month provisional appointment for Jeanette Maurer as Administrative Analyst/Technology Solutions Analyst.

REMOVED FROM CONSENT
12. Consider amending the Salary Range for City Manager and amending the Vehicle Allowance Policy.
• Resolution amending Exhibit "I" of Resolution No. 2007-384 to revise the Class Range Table for Executive Management to amend the salary range for City Manager from salary range 1433 ($12,815 - $16,019/mo.) to range 1436 ($13,801 - $17,251/mo) recommended.
• Resolution amending Exhibit "J" of Resolution No. 2007-384 to revise the Salary Schedule for Executive Management to add salary ranges 1436 to 1441 recommended.
• Resolution authorizing Charter Officers' Vehicle Allowances in the amount of $400 to $500 per month, Executives' Vehicle Allowances in the amount of $400 per month, Deputy Directors' Vehicle Allowances in the amount of $300 per month and City Manager discretion to grant Vehicle Allowances in the amount of $100 - $200 per month to Designated Management positions and rescinding Resolution Nos. 92-348, 92-349, 94-398, 97-605, and 2001-271 recommended.
Personnel; Robin Renwick, 577-5400, rrenwick@modestogov.com

ACTION: Resolution 2008-303 (Olsen/Hawn;majority; Keating O'Bryant no) amending Exhibit "I" of Resolution No. 2007-384 to revise the Class Range Table for Executive Management to amend the salary range for City Manager from salary range 1433 ($12,815 - $16,019/mo.) to range 1436 ($13,801 - $17,251/mo).

ACTION: Resolution 2008-304 (Olsen/Hawn;majority; Keating O'Bryant no) amending Exhibit "J" of Resolution No. 2007-384 to revise the Salary Schedule for Executive Management to add salary ranges 1436 to 1441.

ACTION: Resolution 2008-305 (Olsen/Hawn;majority; Keating O'Bryant no) authorizing Charter Officers' Vehicle Allowances in the amount of $400 to $500 per month, Executives' Vehicle Allowances in the amount of $400 per month, Deputy Directors' Vehicle Allowances in the amount of $300 per month and City Manager discretion to grant Vehicle Allowances in the amount of $100 - $200 per month to Designated Management positions and rescinding Resolution Nos. 92-348, 92-349, 94-398, 97-605, and 2001-271.

CONSENT
13. Consider approving an Amendment to Agreement with Consolidated CM for Construction Management Services of the Dissolved Air Flotation Facility. (This Amendment brings the Agreement total to $798,129.48.) (Funding: Wastewater Fund)
• Resolution approving an Amendment to the Agreement with Consolidated CM for Construction Management Services of the Dissolved Air Flotation Facility in the not-to-exceed amount of $99,413.48, and authorizing the Interim City Manager, or his designee, to execute the Amendment to the Agreement recommended.

Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2008-306 (Hawn/Olsen;unan) approving an Amendment to the Agreement with Consolidated CM for Construction Management Services of the Dissolved Air Flotation Facility in the not-to-exceed amount of $99,413.48, and authorizing the Interim City Manager, or his designee, to execute the Amendment to the Agreement.

CONSENT
14. Consider authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the printing of the Monthly Utility Bill Inserts for the Public Works Department, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual cost of $19,000.
• Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the printing of the Monthly Utility Bill Inserts for the Public Works Department, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual cost of $19,000 recommended.
Public Works; Brian MacDonald, 341-2932, bmacdonald@modestogov.com

ACTION: Resolution 2008-307 (Hawn/Olsen;unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the printing of the Monthly Utility Bill Inserts for the Public Works Department, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated annual cost of $19,000.

CONSENT
15. Consider approving the Third Amendment to the On-Call Engineering Agreement with Carollo Engineers in the amount of $75,000, for a total amount not to exceed $197,000.
• Resolution approving the Third Amendment to the On-Call Engineering Agreement with Carollo Engineers in the amount of $75,000, for a total amount not to exceed $197,000, and authorizing the Interim City Manager, or his designee, to execute the Third Amendment to the Agreement recommended.
• Resolution authorizing the transfer of $75,000 from Wastewater Reserves (6210-800-8000-8003) to Operating Account No. 6210-480-5213-0235 to fund the Third Amendment to the On-Call Engineering Agreement with Carollo Engineers recommended.
Public Works; Gary DeJesus, 577-6300, gdejesus@modestogov.com

ACTION: Resolution 2008-308 (Hawn/Olsen;unan) approving the Third Amendment to the On-Call Engineering Agreement with Carollo Engineers in the amount of $75,000, for a total amount not to exceed $197,000, and authorizing the Interim City Manager, or his designee, to execute the Third Amendment to the Agreement.

ACTION: Resolution 2008-309 (Hawn/Olsen;unan) authorizing the transfer of $75,000 from Wastewater Reserves (6210-800-8000-8003) to Operating Account No. 6210-480-5213-0235 to fund the Third Amendment to the On-Call Engineering Agreement with Carollo Engineers.

CONSENT
16. Consider authorizing the Public Works Department – Wastewater Services Division to perform the bypass operations as necessary for work performed by Union Pacific Railroad at the Seventh Street Trestle per City Charter (Section 1307).
• Resolution authorizing the Public Works Department – Wastewater Services Division to perform the bypass operations as necessary for work performed by Union Pacific Railroad at the Seventh Street Trestle per City Charter (Section 1307) recommended.
• Resolution authorizing the Public Works Director to negotiate contracts for time and materials work to assist City staff on this Bypass Operations project recommended.
• Resolution authorizing the transfer of $200,000 from Wastewater Reserves (6210-800-8000-8003) to Wastewater Operations 6210-480-5212-0235 to fund the

contracts for time and materials work for the Bypass Operations Project recommended.
Public Works; Gary DeJesus, 577-6300, gdejesus@modestogov.com

ACTION: Resolution 2008-310 (Hawn/Olsen;unan) authorizing the Public Works Department – Wastewater Services Division to perform the bypass operations as necessary for work performed by Union Pacific Railroad at the Seventh Street Trestle per City Charter (Section 1307).

ACTION: Resolution 2008-311 (Hawn/Olsen;unan) authorizing the Public Works Director to negotiate contracts for time and materials work to assist City staff on this Bypass Operations project.

ACTION: Resolution 2008-312 (Hawn/Olsen;unan) authorizing the transfer of $200,000 from Wastewater Reserves (6210-800-8000-8003) to Wastewater Operations 6210-480-5212-0235 to fund the contracts for time and materials work for the Bypass Operations Project.

COUNCIL COMMENTS & REPORTS

None.

CITY MANAGER COMMENTS & REPORTS

Interim City Manager announced the opening of Neighborhood Center at Marshall Park on June 14, 2008. He also thanked Council for his appointment as Interim City Manager.

HEARINGS

Published in the Modesto Bee on May 8, 2008
17. Hearing to consider the Proposed Fiscal Year 2008-09 Operating Budget and Capital Improvement Program for the City of Modesto.
• Motion acknowledging receipt of the Proposed Fiscal Year 2008-09 Operating Budget and Capital Improvement Program for the City of Modesto recommended.
Finance; Wayne Padilla, 577-5371, wpadilla@modestogov.com

ACTION: No action taken.

Published in the Modesto Bee on May 2, 2008—continued from May 13, 2008
18. Hearing to consider authorizing the establishment of Junk Dealers/Recyclers Permit Fees.
• Resolution authorizing the establishment of fees for Junk Dealers/Recyclers Permit Fees recommended.
Police; Gary Watts, 342-6144, wattsg@modestopd.com

ACTION: Resolution 2008-313 (Marsh/O'Bryan;unan) authorizing the establishment of fees for Junk Dealers/Recyclers Permit Fees.

19. Hearing to consider a Resolution Determining that the Public Interest and Necessity require the acquisition of certain property interests and directing the filing of eminent domain proceedings for the Pelandale Avenue at Sisk/SR 99 Improvement Project. (Bright Development)
• Resolution determining that the Public Interest and Necessity require the acquisition of certain property interests and directing the filing of eminent domain proceedings for the Pelandale Avenue at Sisk/SR 99 Improvement Project: Northeast Corner of Pelandale Avenue and Sisk Road, Modesto, California; Assessor's Parcel Number: 135-29-019 recommended.
Public Works; Robert Eichblatt, 571-5537, beichblatt@modestogov.com

ACTION: Resolution 2008-314 (Hawn/Keating;unan) determining that the Public Interest and Necessity require the acquisition of certain property interests and

directing the filing of eminent domain proceedings for the Pelandale Avenue at Sisk/SR 99 Improvement Project: Northeast Corner of Pelandale Avenue and Sisk Road, Modesto, California; Assessor's Parcel Number: 135-29-019.

Published in the Modesto Bee on May 17, 2008
20. Hearing to consider establishing passenger fares for all Modesto Area Express (MAX) and Modesto Area Dial-A-Ride (MADAR) services, effective July 1, 2008, and rescinding Resolution No. 2005-222 and 2005-277.
• Resolution establishing passenger fares for all Modesto Area Express (MAX) and Modesto Area Dial-A-Ride (MADAR) services, effective July 1, 2008, and rescinding Resolution No. 2005-222 and 2005-277 recommended.
Public Works; Fred Cavanah, 577-5298, fcavanah@modestogov.com

ACTION: Resolution 2008-315 (O'Bryant/Hawn;unan) establishing passenger fares for all Modesto Area Express (MAX) and Modesto Area Dial-A-Ride (MADAR) services, effective July 1, 2008, and rescinding Resolution No. 2005-222 and 2005-277.

NEW BUSINESS

21. Consider a request by The Salvation Army for fee waivers and deferrals for the current expansion of the Homeless Shelter located at 320 9th Street.
• Resolution approving a request by The Salvation Army to apply the 2005 water/sewer connection fee rates to the current expansion of the Homeless Shelter located at 320 9th Street recommended.
• Motion approving the formulation of a policy for very-low income housing, shelters and other related non-profit organizations concerning waivers and deferrals of fees. Stay all requests until such a policy has been approved recommended.
Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 2008-316 (Marsh/Olsen;unan) approving a request by The Salvation Army to apply the 2005 water/sewer connection fee rates to the current expansion of the Homeless Shelter located at 320 9th Street.

ACTION: By Motion (Marsh/Olsen;unan) to allow Salvation Army to defer payment of building permit and connection fees for 75 days.

ACTION: By Motion (Marsh/Olsen;unan) to request Parks, Recreation & Neighborhoods HUD staff to work with Salvation Army to provide a recommendation to fund pre-development activities related to water/sewer connection and related fee costs.

ACTION: By Motion (Marsh/Olsen;unan) authorizing the formulation of a policy encompassing fee waivers and deferrals for non-profit organizations.

22. Consider written correspondence to the County of Stanislaus expressing interest in partnering on an animal shelter and requesting a time extension to any further County action allowing the City to complete necessary due diligence.
• Motion authorizing the Mayor, on behalf of the Council, to send a letter to the Stanislaus County Board of Supervisors requesting an extension of time to allow the City's to explore options for the providing animal sheltering services during which time City staff will continue discussions with the County on the possibility of a Joint Powers Authority for operations of the shelter. The Interim City Manager recommends a 60-90 day period of time recommended.
Police; Gene Balentine, 572-9505, balentineg@modestopd.com

ACTION: By Motion (Keating/Marsh;unan) authorizing the Mayor, on behalf of the Council, to send a letter to the Stanislaus County Board of Supervisors requesting an extension of time to allow the City's to explore options for the providing animal sheltering services during which time City staff will continue discussions with the County on the possibility of a Joint Powers Authority for operations of the shelter. The Interim City Manager recommends up to 120 days period of time.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned at 8:10 p.m.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
One Case (Pursuant to Section 54956.9(a) of the Government Code)

Name of case: *The Committee Concerning Community Improvements, et al. v. City of Modesto, et al.;* United States District Court, Eastern District of California
Case No. CIV-F- 04-6121 REC DLB

CONFERENCE WITH LABOR NEGOTIATOR:
(Pursuant to Section 54957.6 of the Government Code) - MCEA

Agency Negotiators: James E. Niskanen, Interim City Manager
Barbara Santos, Deputy Director of Personnel
Employee Organization: Modesto City Employees Association

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Pursuant to Section 54957(b)(1) of the Government Code)

Title: City Attorney

cc: Diane Sheat

DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE,** printed in the City of **MODESTO,** County of **STANISLAUS,** State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS,** State of California, Under the date of **February 25, 1951, Action No. 46453;** that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

JUNE 19, 2008

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at **MODESTO, California** on

JUNE 19, 2008

Esther Pineiro
(Signature)

CITY OF MODESTO

NOTICE OF PUBLIC HEARING ON THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO.20041 (VILLAGE ONE#2), AND THE LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED
ANNEXATION NO.14

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Modesto, California (the "City") did, on May 27, 2008, adopt its Resolution No.2008-298 (the "Resolution") wherein the Council declared its intention to annex certain territory to Community Facilities District No.20041 (Village One#2) (the "District") and, subject to the vote of the qualified electors within the territory proposed to be annexed, levy the District special taxes therein, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

The territory proposed to be annexed (the "Annexed Territory") consists of two parcels identified by reference to Stanislaus County Assessor Parcel, as follows: A.P. No. 085-050-007 and A.P. No. 085-050-008. NOTICE IS FURTHER GIVEN that the Council has set a hearing on Resolution No.2008-298. The time and place for the hearing is Tuesday, July 1, 2008 at 5:30p.m., or as soon thereafter as practicable, at the regular meeting place of this Council, City Council Chambers, Basement Level, 1010 Tenth Street, Modesto, California. At the hearing the testimony of all interested persons for or against the proposed annexation to the District, and the levy of the District special taxes in the Annexed Territory, may appear and be heard and considered. A protest may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests must be filed with the City Clerk on or before the time set for the hearing. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing within the District, or if fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the Annexed Territory, or if the owners of onehalf or more of the area of the land in the District, or if the owners of one-half or more of the area of land in the Annexed Territory, file written protests against the proposed annexation, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings will be undertaken for a period of one year from the date of the decision of the Council on the issues discussed at the hearing.

At the conclusion of the hearing, if the Council determines to annex the territory to the District, it will then submit the levy of the District special taxes within the Annexed Territory to the qualified electors of the Annexed Territory in a special election.

The above is intended to be a summary of Resolution No.2008-298. A complete copy of the Resolution is available at the office of the City Clerk at City Hall.

Please refer all questions to District Administrator, City of Modesto, Tenth Street Place, Modesto, California 95353, telephone (209)5775211.

Dated: June 16, 2008

Stephanie Lopez
City Clerk
June 19, 2008

CERTIFICATE OF COUNTY ASSESSOR
OF STANISLAUS COUNTY

I, Doug Harms, of the Office of the County Assessor of Stanislaus County, California, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed as a part of Annexation No. 14 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) I have examined the list of owners' names and addresses for each of the parcels comprising the area proposed to be annexed to Community Facilities District No. 2004 1 (Village One #2) of the City of Modesto as Annexation No. 14.

(C) The names and addresses of the owners of the parcels, as shown on the last equalized assessment roll, or otherwise known to me to be the owners of such parcels, are as shown on the attached list of owners' names and addresses for the indicated Assessor's Parcel Numbers.

COUNTY ASSESSOR OF STANISLAUS COUNTY

By: Doug Harms

June 19, 2008
Date of Execution

Modesto, California
Place of Execution

Community Facilities District No. 2004-1 of the City of Modesto
Annexation No. 14

Assessor's Parcel Numbers	Owners' Names	Owners' Addresses
085-050-006	Best/Modesto Partners, a California General Partnership	2580 Sierra Blvd., Suite E Sacramento, CA 95825
085-050-007	Best/Modesto Partners, a California General Partnership	2580 Sierra Blvd., Suite E Sacramento, CA 95825
085-050-008	Best/Modesto Partners, a California General Partnership	2580 Sierra Blvd., Suite E Sacramento, CA 95825

CERTIFICATE OF REGISTRAR OF VOTERS
OF STANISLAUS COUNTY

I, Lee Lundrigan, of the Office of the Registrar of Voters of Stanislaus County, certify as follows:

(A) I have reviewed the map, attached hereto as Exhibit A, describing the boundaries of property proposed to be annexed (the "Annexed Territory") as a part of Annexation No. 14 to Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto.

(B) On June 2, 2008, I conducted, or caused to be conducted, a review of the voter registration records of the County for the purpose of determining the number of voters registered to vote within the boundaries of the Annexed Territory.

(C) There is -1- person(s) registered to vote within the Annexed Territory APN 085.050-006 and -0- person(s) registered to vote within the Annexed Territory APN 085.050-007 and APN 085.050-008.

(D) In the event the City Council of the City designates the City Clerk as the election official to conduct the election in connection with this annexation to Community Facilities District No. 2004-1, I concur in the City Council's designation.

REGISTRAR OF VOTERS OF
STANISLAUS COUNTY

By: L. Lundrigan
Lee Lundrigan – Registrar of Voters

June 2, 2008
Date of Execution

Modesto, California
Place of Execution

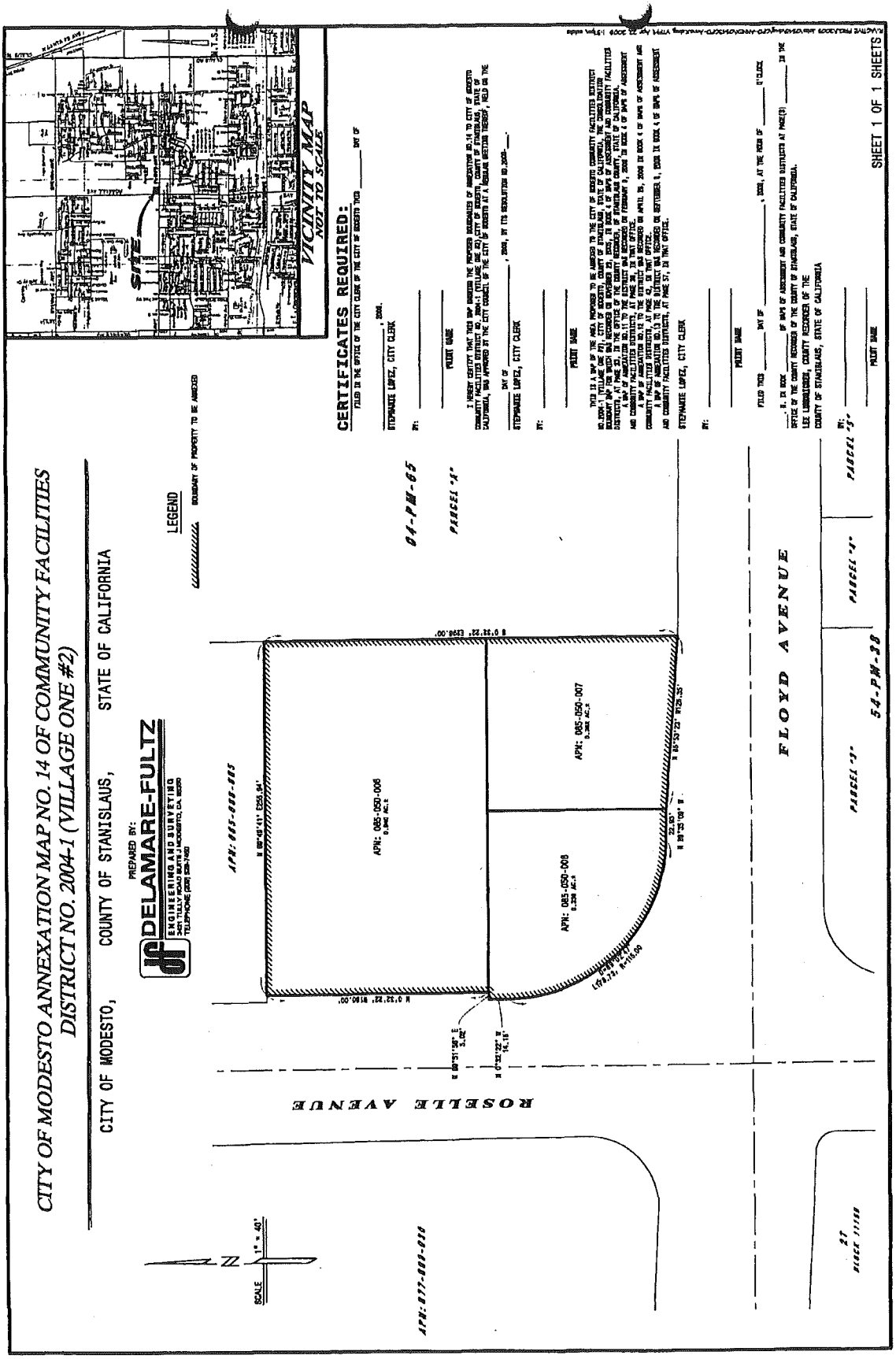


EXHIBIT A

ANNEXATION NO. 14 TO
COMMUNITY FACILITIES DISTRICT NO. 2004 (VILLAGE ONE #2)

WAIVER AND DECLARATION OF LANDOWNER OF TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) REGARDING CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO A SPECIAL LANDOWNER ELECTION, AND DESIGNATING AUTHORIZED REPRESENTATIVE FOR VOTING PURPOSES

ANNEXATION NO. 14

To: City Clerk
City of Modesto
Modesto, California 95353

Pursuant to California Government Code Sections 53326(a) and 53327(b), which allow any time limit or requirement pertaining to the conduct of a landowner election held under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") to be waived with the unanimous consent of the landowners, the undersigned (the "Landowners") declare as follows:

1. The undersigned are the owners of Assessor's Parcel Numbers **085-050-007 & 085-050-008** (the "Property") being land proposed to be annexed, as Annexation No. 14, to the City's Community Facilities District No. 2004-1 (Village One #2) ("the District") pursuant to the City Council's Resolution No. 2008-298 (the "Resolution of Intention to Annex"), adopted on May 27, 2008. The land proposed to be annexed to the District as Annexation No. 14 is described in the map attached as Exhibit A.

The Landowners acknowledge that a special landowner election will be called, within the area proposed to be annexed to the District, to authorize the levy of the District special taxes within the area proposed to be annexed, and that the Landowners have had sufficient time to consider and reflect on their choices in the election.

2. Landowners expressly waive:

a. the time limits specified by Section 53321(e) of the Act, requiring that the public hearing on the annexation to the District be held not less than 30 or more than 60 days after the adoption of the Resolution of Intention to Annex;

b. the time limits specified by Section 53326 of the Act, including, but not limited to, the requirement that the special election be held at least 90 but not more than 180 days following the passage of the resolution calling the election;

c. the requirement contained in Section 53327 of the Act of preparation and delivery to voters of an impartial analysis, arguments and rebuttals relating to the proposition submitted at the election; and

d. any notice requirements relating to the special election, whether contained in the California Government Code, Elections Code, Streets & Highways Code or elsewhere.

3. Landowners certify there are 0 registered voters residing on the Property.

4. Landowners further certify that title to the Property is held as follows: BEST/MODESTO PARTNERS.

5. Landowners declare that **[Landowners to check one, and complete as appropriate]**:

a. ___ There is no deed of trust or other secured interest encumbering any of the Property.

b. ✓ There is a deed of trust or other secured interest, dated 5-13-08, and recorded on 5-20-08, in ~~Book ___ at Page ___~~ Series #08-54060 of the Official Records of the County Recorder of the County of Stanislaus that encumbers the property. The name and address of the Beneficiary thereunder is: US Bank National Assn - 621 Capitol Mall #800 - Sacramento, CA 95814; the name and address of the Trustee thereunder is: US Bank Trust National Assn - 111 SW 5th Ave - Portland, OR 97204.

If (b) is checked, the attached Acknowledgement and Consent must be executed by the Beneficiary under the Deed of Trust.

6. Landowners designate TERRY JOHNSON as their authorized representative for the purpose of voting their interests at the special election. The designated representative's mailing address is: 2580 SIERRA BLVD SUITE G - SACRAMENTO, CALIF. 95825.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 6/16, 2008

LANDOWNER

Best/Modesto Partners, a California General Partnership

By: TJ
Terry Johnson, General Partner

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

ACKNOWLEDGEMENT AND CONSENT
OF LENDER UNDER DEED OF TRUST

The undersigned lender ("Lender") acknowledges, declares and consents, as follows:

1. The undersigned is the beneficiary under a deed of trust on all or a portion of the Property identified in the Waiver and Declaration to which this Acknowledgment and Consent is attached. The undersigned is familiar with the "Mello-Roos Community Facilities Act of 1982" (the "Act") and the proceedings being conducted thereunder by the City of Modesto (the "City") pursuant to its Resolution No. 2008-298 (the "Resolution") to annex certain territory (Annexation No. 14) to its Community Facilities District No. 2004-1 (Village One #2) (the "District").

2. Lender acknowledges that, as part of the annexation proceedings, the qualified electors of the area proposed to be annexed to the District, being the owners of the property in the area proposed to be annexed, will be requested to vote on whether to approve the levy of the District special taxes within the area to be annexed, and that the lender is familiar with the District special taxes as heretofore approved and levied by the City Council.

3. The undersigned consents to the levy of the District special taxes on the Property as contemplated in the proceedings being conducted by the City under the Act and the Resolution.

4. Lender acknowledges that, as a part of the proceedings conducted under the Act and the Resolution, and assuming approval of the levy of the District special taxes within the area to be annexed to the District by the qualified electors of the area to be annexed, an amendment to the notice of lien, to secure payment of the District special taxes levied in the annexed area, will be recorded in the office of the County Recorder of the County of Stanislaus, whereupon the lien of the special taxes will attach, as provided in Section 3115.5 of the California Streets and Highways Code, as a continuing lien having a priority over the lien of the aforementioned deed of trust; that the City Council will then be authorized to levy the District special taxes on the Property; and that certain components of the special taxes will be collected in the same manner as ordinary ad valorem property taxes are collected and will be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for ad valorem taxes.

Dated: June 17, 2008

US Bank National Association, a ~~California~~ national banking association ("Lender")

By: Susan Landry
Name: Susan Landry
Title: AVP

By: C. Grey
Name: C. Grey
Title: AVP

Signature Requirements

- *Corporation:* Signature of two (2) officers, or Signature of one (1) officer plus the corporate seal
- *Partnership:* Signature of one partner
- *Sole Proprietorship:* Signature of proprietor

EXHIBIT A

ANNEXATION NO. 14 TO
COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 14

CERTIFICATE OF CITY CLERK AS TO DISTRIBUTION OF OFFICIAL BALLOTS

I, Stephanie Lopez, certify that:

1. I am the City Clerk of the City of Modesto, California.

2. Pursuant to Resolution No. 2008-403, entitled "A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory proposed to be Annexed to the District (Annexation No. 14)," adopted by the City Council of the City of Modesto on July 1, 2008, I am the designated election official to conduct the special election described in that Resolution.

3. On June 18, 2008, I caused to be delivered or mailed an Official Ballot for the special election to the authorized representative of each of the property owners listed on the attached Exhibit A, being the qualified electors in the territory proposed to be annexed to the City of Modesto Community Facilities District No. 2004-1 (Village One #2) as Annexation No. 14. On each Official Ballot was shown the value of the vote as set forth on Exhibit A. Included with each Official Ballot so delivered or mailed was a Ballot Pamphlet (which included Instructions to Landowner Voters and a Sample Official Ballot), an Authorization, and an Identification Envelope.

4. A form of the Ballot Pamphlet, Official Ballot, and Authorization, so delivered or mailed is attached hereto and by this reference made a part hereof.

5. I certify under penalty of perjury that the foregoing is true and correct.

STEPHANIE LOPEZ, CITY CLERK

Signature: Stephanie Lopez

Date of Execution: July 1st, 2008

Place of Execution: Modesto, California

EXHIBIT A

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 14

Name and address of Authorized Representative to which a ballot was personally delivered or mailed:

Owner – Name and Address	Authorized Representative – Name and Address	Ballot No.	Value of Vote
Best/Modesto Partners, a California General Partnership	Terry Johnson 2580 Sierra Blvd., Suite G Sacramento, CA 95825	1	2

MODESTO CITY COUNCIL
RESOLUTION NO. 2008-403

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING THE LEVY OF THE CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2) SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE TERRITORY PROPOSED TO BE ANNEXED TO THE DISTRICT (ANNEXATION NO. 14)

WHEREAS, this Council did, on May 27, 2008, adopt its Resolution No. 2008-298 (the "Resolution of Intention to Annex") to indicate its intention to annex certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and authorize the levy of the District special taxes within the territory proposed to be annexed (the "Annexed Territory"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and set a hearing thereon; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned, and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004, create Tax Zone #2 within the District; and

WHEREAS, the One-Time Facilities Special Tax component of the special taxes is higher in Tax Zone #2 than in Tax Zone #1; and

WHEREAS, the Annexed Territory will be annexed to and subject to the special taxes in Tax Zone #2; and

WHEREAS, notice of the hearing was duly published as required by law, as evidenced by the proof of publication on file with the City Clerk; and

WHEREAS, a map of the Annexed Territory, entitled "Annexation Map No. 14 of Community Facilities District No. 2004-1 (Village One #2) of the City of Modesto, County of Stanislaus, State of California," was recorded on May 29, 2008, in the Office of the County Recorder of the County of Stanislaus, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 98; and

WHEREAS, at the time and date set for the hearing (July 1, 2008) pursuant to the Resolution of Intention to Annex, this Council held the public hearing, as required by the Act, related to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, at the hearing all persons desiring to be heard on all matters pertaining to the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex, including all interested persons for or against the proposed annexation to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, and this Council, at the conclusion of the hearing, was fully advised as to all matters related to the proposed annexation and the levy of the District special taxes for

Tax Zone #2 within the Annexed Territory, and all other matters set forth in the Resolution of Intention to Annex; and

WHEREAS, written protests against the proposed annexation and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been filed with the City Clerk by 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the District or residing within the Annexed Territory, or the owners of one-half or more of the land in the District, or in the Annexed Territory; and

WHEREAS, the Stanislaus County Registrar of Voters has certified there are less than 12 registered voters residing in the Annexed Territory; accordingly, the qualified electors are the landowners; and

WHEREAS, the City Clerk, being the Council's designated election official for purposes of the election herein called, has concurred in the election date herein set forth for the election;

NOW THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. All prior proceedings taken with respect to the annexation of the Annexed Territory to the District, and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory were valid and in conformity with the requirements of the Act. This determination shall be final and conclusive upon all persons.

SECTION 3. The proposed annexation of the Annexed Territory to the District and the levy of the District special taxes for Tax Zone #2 within the Annexed Territory have not been precluded by majority protest pursuant to Section 53339.5 of the Act.

SECTION 4. As stated in the Resolution of Intention to Annex, it is the intention of this Council, subject to the approval of the qualified electors of the Annexed Territory, to annex the Annexed Territory to the District and levy the District special taxes for Tax Zone #2 within the Annexed Territory. Upon such approval the Council will be authorized to levy the District special taxes for Tax Zone #2 within the Annexed Territory.

SECTION 5. A special election is hereby called at which the question of levying the District special taxes for Tax Zone #2 within the Annexed Territory shall be submitted to the qualified electors of the Annexed Territory. The election shall be held in accordance with and subject to the Act, all of the terms of which shall, unless waived as herein provided, be applicable to such election. The ballot measure shall be substantially in the form **attached** hereto as **Exhibit A.**

SECTION 6. Fewer than 12 persons have been registered to vote within the Annexed Territory for each of the 90 days preceding the close of the hearing referenced herein. Accordingly, the vote shall be by the landowners of the Annexed Territory, and each such landowner shall have one vote for each acre or portion thereof that he or she owns within the Annexed Territory. The ballots shall be distributed by mail with return postage prepaid, or by personal service, to each landowner, all as provided in Section 53326 of the Act.

SAMPLE

OFFICIAL BALLOT

BALLOT NO. _____

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 14

SPECIAL TAX ELECTION

July 1, 2008

NUMBER OF VOTES ENTITLED TO BE CAST _____
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in **Exhibit** A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2008-298, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 14)" adopted by the City Council of the City of Modesto on May 27, 2008, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES ☐

NO ☐

BALLOT NO. ___

THIS BALLOT HAS A VALUE OF ___ VOTES

Since the City Clerk has received an appropriate waiver of time limits and other requirements pertaining to the conduct of the election by the owner of all of the land in the Annexed Territory (the "Landowner"), the election shall be held on the 1st day of July 2008. The election shall be conducted by the City Clerk in the manner required by this resolution, the Act and applicable laws.

The hour on such date when the ballots are required to be received in the office of the City Clerk is 6:00 p.m., Pacific Time, provided that if all qualified electors have voted prior to such time, the election shall be closed upon the receipt of all of the ballots.

SECTION 7. In accordance with Section 53327(b) of the Act, analysis and arguments, as required by Section 53327(a) of the Act are hereby waived, as the City Clerk has received the unanimous consent to such waivers from the Landowner.

SECTION 8. The publication of this Resolution as notice of the special election is hereby waived as the City Clerk has received the unanimous consent to such waiver from the Landowner.

SECTION 9. The Annexed Territory shall constitute a single election precinct for the purpose of holding the election.

SECTION 10. The City Clerk is hereby authorized to take any and all steps necessary for the holding of the election, and to perform and render all services and proceedings incidental to and in connection with the election.

SECTION 11. The City Clerk shall canvass the returns and certify the results of the election to this Council. If two-thirds or more of the votes cast are in favor of levying the District special taxes for Tax Zone #2 in the Annexed Territory, this Council may thereafter order the annexation of the Annexed Territory to the District and levy the

District special taxes in the Annexed Territory in the amount and for the purposes specified in Resolution No. 2004-199 adopted by this Council on April 6, 2004 (the "Resolution of Formation"). The Special Tax will be levied only at the rate and apportioned only in the manner specified in the Resolution of Formation, as clarified by the City Council on December 14, 2004 (Resolution No. 2004-681), and at the rates set forth in Tax Zone #2 created by the City Council on December 14, 2004 (Resolution No. 2004-683).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 1st of July, 2008, by Councilmember Keating, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: _____
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

City Clerk's Office

Minutes

City Council Chambers, Basement Level Tenth Street Place, 1010 Tenth Street, Modesto, California

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City Council Calendar

City Council's Home Page

The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday July 01, 2008, at 5:30 p.m.

Roll Call Present: Councilmembers Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
Absent: None

Pledge of Allegiance to the Flag

Invocation: Jeff Norman, Modesto Covenant Church

City Clerk's Announcements – Item 24 – continued to July 8, 2008

Declaration of Conflicts of Interest - None

Reports from Closed Session – City Attorney Wood reported on Closed Session Items.

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation proclaiming July 7 through 13, 2008 as Healthy Air Living Week. (Funding Source: Not applicable)
City Manager; Kathy Espinoza, 571-5597, kespinoza@modestogov.com

ACTION: Mayor Ridenour presented a Proclamation proclaiming July 7 through 13, 2008 as Healthy Air Living Week.

PUBLIC COMMENT PERIOD

Frank Johnson, Vice President of NAACP, spoke regarding harassment by the Modesto Police Department and requested to be put on the next Council Agenda.

Salvador Rivera spoke as a member of the Community regarding harassment by the Modesto Police Department.

Tony Hernandez, former Vice President of Most Envied Motorcycle Club, spoke regarding harassment by the Modesto Police Department.

John Mataka, identifying himself as legal redress for the NAACP of Stanislaus County, spoke regarding harassment and racial profiling of the Most Envied Motorcycle Club

by the Modesto Police Department.

Luis, President of the Most Envied Motorcycle Club, spoke regarding the harassment by the Modesto Police Department.

Fire Chief Jim Miguel spoke regarding illegal fireworks in Modesto on the 4th of July; citations will be $750 for illegal fireworks. Call 552-3911 regarding illegal fireworks.

Pastor Louis spoke regarding a conditional use permit for a transition house and was referred to Brent Sinclair, Director of Community & Economic Development.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 2 through 19

ACTION CONSENT ITEMS 2-19: (Hawn/Lopez;unan)

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

Consent
2. Consider approving the minutes of the regular City Council meeting of June 24, 2008. (Funding Source: Not applicable)
• Motion approving recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) approving the minutes of the regular City Council meeting of June 24, 2008.

Consent
3. A. Consider approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership.

B. Consider approving final adoption of Ordinance No. **3492-C.S.** Amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment. (Funding Source: Not applicable)
• Motion approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership recommended.
• Motion approving final adoption of **Ordinance No. 3492-C.S.** Amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership.

ACTION: By Motion (Hawn/Lopez;unan) approving final adoption of **Ordinance No. 3492-C.S.** amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment.

Consent
4. Consider adopting the selection of the Short-list of On-call Environmental Service Providers. (Funding Source: Not Applicable)
• Resolution approving the selection of environmental service providers to prepare environmental impact reports and perform other related environmental services for a period of fours years recommended.

Community and Economic Development; Paul Liu, 577-5267, pliu@modestogov.com

ACTION: Resolution 2008-385 (Hawn/Lopez;unan) approving the selection of environmental service providers to prepare environmental impact reports and perform other related environmental services for a period of fours years.

Consent
5. Consider accepting the public improvements for road improvements related to the Modesto Endoscopy Center located in the Village One Specific Plan Area in the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods. (Funding Source: Not Applicable)
• Resolution accepting Public Improvements for Road Improvements related to the Modesto Endoscopy Center on Sylvan Avenue and Bob's Way located in the Village One Specific Plan Area of the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods recommended.
Community & Economic Development; Robert Davalos, 209-577-5253, rdavalos@modestogov.com

ACTION: Resolution 2008-386 (Hawn/Lopez;unan) accepting Public Improvements for Road Improvements related to the Modesto Endoscopy Center on Sylvan Avenue and Bob's Way located in the Village One Specific Plan Area of the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods.

Consent
6. Consider approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement. (Funding Source: Not Applicable - CFF revenue generation)
• Resolution approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement recommended.
Community & Economic Development; Amy Gedney, 571-5501, agedney@modestogov.com

ACTION: Resolution 2008-387 (Hawn/Lopez;unan) approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement.

Consent
7. Consider acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts. (Funding Source: CFD 1996-1 (Village One), CFD 1998-2 (Carver-Bangs/Pelandale-Snyder), CFD 2000-2 (Coffee-Claratina), CFD 2002-1 (NorthPointe), CFD 2003-1 (Fairview Village) and CFD 2004-1 (Village One #2))
• Motion acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts recommended.
Community & Economic Development; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts.

Consent
8. Consider authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000. (Funding Source: Water Fund)
• Resolution authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000 recommended.
Finance Department; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2008-388 (Hawn/Lopez;unan) authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000.

Consent
9. Consider the Monthly Budget Adjustment Report for July 2008. (Funding Source: Various Funds)
• Resolution amending the FY 2007-2008 annual budget recommended.
Finance; Wayne Padilla, 577-5369, wpadilla@modestogov.com

ACTION: Resolution 2008-389 (Hawn/Lopez;unan) amending the FY 2007-2008 annual budget.

Consent
10. Consider approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m. (Funding Source: Not Applicable)
• Resolution approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m. recommended.
Parks, Recreation and Neighborhoods; Mary Otten, 571-5863, motten@modestogov.com

ACTION: Resolution 2008-390 (Hawn/Lopez;unan) approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m.

Consent
11. Consider approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only) (Funding Source: Not Applicable)
• Resolution approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only) recommended.
Parks, Recreation and Neighborhoods; Mary Otten, 571-5863, motten@modestogov.com

ACTION: Resolution 2008-391 (Hawn/Lopez;unan) approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only)

Consent
12. Consider revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist. (Funding Source: Not applicable)
• Resolution revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2008-392 (Hawn/Lopez;unan) revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist.

Consent
13. Consider accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45. (Total project cost is $215,049.78, which included construction contingency, engineering design and construction administration.) (Funding Source: Development Contribution)
• Resolution accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2008-393 (Hawn/Lopez;unan) accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45.

Consent
14. Consider approving an Agreement with Associated Right of Way Services, Inc. for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement. Consider amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (Funding Source: Wastewater)
• Resolution approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement recommended.
• Resolution amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $75,350 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B808 (Emerald Trunk Rehab) to perform the required appraisal services to complete the project recommended.
Public Works; William Wong, 571-5801, wwong@modestogov.com

ACTION: Resolution 2008-394 (Hawn/Lopez;unan) approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement.

ACTION: Resolution 2008-395 (Hawn/Lopez;unan) amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $75,350 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B808 (Emerald Trunk Rehab) to perform the required appraisal services to complete the project.

Consent
15. Consider approving an Agreement with Associated Right of Way Services, Inc. for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement. Consider amending the FY08/09 Capital Improvement Program to fully fund the Agreement with Associated Right of Way Services, Inc. (Funding Source: Wastewater)
• Resolution approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement recommended.
• Resolution amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $248,600 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B812 (Primary Outfall Rehab) to perform the required appraisal services to complete the project recommended.
Public Works; William Wong, 571-5801, wwong@modestogov.com

ACTION: Resolution 2008-396 (Hawn/Lopez;unan) approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement.

ACTION: Resolution 2008-397 (Hawn/Lopez;unan) amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $248,600 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B812 (Primary Outfall Rehab) to perform the required appraisal services to complete the project.

Consent
16. Consider accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. (Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration.) (Funding Source: CMAQ and Matching Gas Tax Funds)
• Resolution accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and

to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2008-398 (Hawn/Lopez;unan) accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration.

Consent
17. Consider authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000. (Funding Source: Wastewater and Stormwater Funds)
• Resolution authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000 recommended.
Public Works; Gary DeJesus, 577-6255, gdejesus@modestogov.com

ACTION: Resolution 2008-399 (Hawn/Lopez;unan) authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000.

Consent
18. Consider authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated total annual cost of $1.6 million. (Funding Source: Water Fund)
• Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options, at the sole discretion of the City, for an estimated total annual cost of $1.6 million recommended.
Public Works; Jeremy Damas, 209-342-2208, jdamas@modestogov.com

ACTION: Resolution 2008-400 (Hawn/Lopez;unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options, at the sole discretion of the City, for an estimated total annual cost of $1.6 million.

Consent
19. Consider approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement. (Funding Source: Not Applicable)
• Resolution approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement recommended.
• Resolution amending the adopted Capital Improvement Program (CIP) Budget for

Fiscal Year 2008-09 to recognize $27,000 in one-time revenue from PG&E Smart Meter Installation and appropriate $27,000 in offsetting expenses to CIP Account No. 2370-160-E947-6041 – High Voltage Street Light Circuit Repair recommended.
Public Works; Nick Pinhey, 209-577-5213, npinhey@modestogov.com

ACTION: Resolution 2008-401 (Hawn/Lopez;unan) approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement.

ACTION: Resolution 2008-402 (Hawn/Lopez;unan) amending the adopted Capital Improvement Program (CIP) Budget for Fiscal Year 2008-09 to recognize $27,000 in one-time revenue from PG&E Smart Meter Installation and appropriate $27,000 in offsetting expenses to CIP Account No. 2370-160-E947-6041 – High Voltage Street Light Circuit Repair.

COUNCIL COMMENTS & REPORTS

None.

CITY MANAGER COMMENTS & REPORTS

None.

HEARINGS

Published in the Modesto Bee on June 19, 2008
20. Hearing to consider (i) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14) and (ii) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 (Village One #2). (Funding Source: CFD 2004-1 (Village One #2) Formation)
• Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14) recommended.
• Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
Community & Economic Development; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2008-403 (Keating/Marsh;unan) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14).

ACTION: Resolution 2008-404 (Keating/Marsh;unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Published in the Modesto Bee on June 20, 2008
21. Hearing to consider approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue. (Funding Source: Not Applicable)
• Resolution approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the Infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue

recommended.
Community & Economic Development; Amy Gedney, 577-5211, agedney@modestogov.com

Councilmember Marsh left meeting at 6:50 p.m.

ACTION: Resolution 2008-405 (Hawn/Keating;unan Marsh absent) approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the Infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue. **(Staff to incorporate two modifications to the Tivoli FMP and IFP provided in Dave Romano's July 1, 2008 letter.**)

Published in the Modesto Bee on June 12, 2008
22. Hearing to consider establishing fees for tow truck driver permits and inspection of tow trucks. (Funding Source: General Fund)
• Resolution establishing fees for tow driver permits, and inspections and reinspections of tow trucks recommended.
Police; William Ryan, 342-9129, ryanw@modestopd.com

ACTION: Resolution 2008-406 (Keating/Lopez;unan Marsh absent) establishing fees for tow driver permits, and inspections and reinspections of tow trucks.

NEW BUSINESS

23. Consider accepting the annual Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report and Public Works Audit for year end June 30, 2007. (Funding Source: Various Funds)
• Motion accepting the Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report and Public Works Audit for year end June 30, 2007 recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Keating/Hawn;unan Marsh absent) accepting the Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report for year end June 30, 2007 and Public Works Audit for Fiscal Years 2003, 2004 and 2005.

24. Consider the request of Petrulakis Jensen & Friedrich, LLP on behalf of Dr. Brij Gupta for confirmation of development conditions on P-D(575), located at 3125 Coffee Road. (Funding Source: Not Applicable)
• There is not a recommended action on this item. See the Policy Alternatives section of the report for options on Council action.
Community and Economic Development; Steve Mitchell, 577-5267, smitchell@modestogov.com

ACTION: Continued to July 8, 2008 Council meeting.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned 7:00 p.m.

CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Section 54957(b)(1) of the Government Code) Title: City Attorney

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - Unrepresented Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Robin Renwick, Personnel Director Employee Organization: Unrepresented Management and Confidential Employees

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MCMA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Robin Renwick, Personnel Director Employee Organization: Modesto Confidential & Management Association

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MCEA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Barbara Santos, Deputy Director of Personnel Employee Organization: Modesto City Employees Association

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MPNSA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Barbara Santos, Deputy Director of Personnel Employee Organization: Modesto Police Non Sworn Association

OFFICIAL BALLOT

BALLOT NO. 1

RECEIVED
MODESTO CITY CLERK
08 JUN 24 AM 9:02

CITY OF MODESTO
COMMUNITIES FACILITIES DISTRICT NO. 2004-1
(VILLAGE ONE #2)

ANNEXATION NO. 14

SPECIAL TAX ELECTION

July 1, 2008

NUMBER OF VOTES ENTITLED TO BE CAST: 2
(VOTER MAY REMOVE AND RETAIN THIS STUB)

INSTRUCTIONS TO VOTERS

To vote, make a mark (x) in the voting area to the right of the word "YES" or "NO."

All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear or deface this ballot, telephone the Office of the City Clerk of the City of Modesto for instructions as soon as possible at (209) 577-5398, Monday through Friday, between the hours of 9:00 a.m. and noon

MARK YOUR CHOICE IN THIS MANNER ONLY: ☒

MEASURE SUBMITTED TO VOTE OF VOTERS

Proposition A. Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in Exhibit A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2008-298, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 14)" adopted by the City Council of the City of Modesto on May 27, 2008, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

YES	X
NO	

BALLOT NO. 1

THIS BALLOT HAS A VALUE OF 2 VOTES

AUTHORIZATION
(BALLOT NO. 1)

I, **Terry Johnson**, certify as follows:

(1) I am the Authorized Representative of **Best/Modesto Partners, a California General Partnership**, the owner (the "Owner") of the herein described property within the boundaries of the area proposed to be annexed (the "Annexed Territory") as Annexation No. 14 to the City of Modesto Community Facilities District No. 2004-1 (Village One #2);

(2) I am authorized to vote the Official Ballot to which this Authorization is attached on behalf of the Owner;

(3) in voting the Official Ballot it was the intent of the Owner to vote all votes to which the Owner is entitled to vote on Proposition A set forth in the Ballot, as marked in the voting square opposite the Proposition;

(4) the Owner is the owner of Assessor's Parcel Numbers **085-050-006**, **085-050-007, and 085-050-008** (the "Parcels"), which comprise approximately **1.66** acres of land within the Annexed Territory; and

(5) there is one registered voters on the Parcels.

I certify under penalty of perjury that the foregoing is true and correct and that this Authorization was executed on 6/20, 2008 at SACRAMENTO, CALIF.

T A

Signature of Authorized Representative (Voter)

2580 SIERRA BLVD SUITE E
SACRAMENTO, CA. 95825

Address of Authorized Representative (Voter)

MODESTO CITY COUNCIL
RESOLUTION NO. 2008-404

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO CANVASSING THE RESULTS OF THE JULY 1, 2008, ELECTION HELD WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VILLAGE ONE #2), AND ORDERING ANNEXATION OF THE TERRITORY TO THE DISTRICT (ANNEXATION NO. 14)

WHEREAS, this Council is conducting proceedings pertaining to the annexation of certain territory to the City's Community Facilities District No. 2004-1 (Village One #2) (the "District") and the levy of the District special taxes (the "District Special Taxes") within such territory, as described in its Resolution No. 2008-298, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 14)" adopted on May 27, 2008, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"); and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-681, adopted on December 14, 2004, clarify the Rate and Method of Apportionment with respect to the Maximum Special Taxes to be generated by a parcel that has been rezoned; and

WHEREAS, pursuant to the Act, this Council did, by its Resolution No. 2004-683, adopted on December 14, 2004 ("Resolution of Creation of Tax Zone #2"), create Tax Zone #2 within the District; and

WHEREAS, the territory to be annexed will be subject to the tax rates in Tax Zone #2; and

WHEREAS, the owners of all the property within the territory proposed to be annexed to the District waived those provisions related to the timing and conduct of the election referenced in Sections 5, 6, 7 and 8 of this Council's Resolution No. 2008-???, adopted on July 1, 2008, and, as a result, this Council called an election within the territory proposed to be annexed to the District (the "Election") for July 1, 2008, or as soon thereafter as practicable, relative to the foregoing; and

WHEREAS, on July 1, 2008, the Election was held; and

WHEREAS, the City Clerk has certified that at the Election the proposition of levying the District Special Taxes within the territory proposed to be annexed to the District was approved by more than two-thirds (2/3) of the votes cast at the Election;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Modesto that:

SECTION 1. The Election was duly and validly conducted in conformity with all applicable laws pertaining thereto. It is hereby determined that the owner or owners of the territory proposed to be annexed are as set forth in the Certificate of City Clerk as to Distribution of Official Ballots, submitted to this Council and on file with the City Clerk.

SECTION 2. The ballot proposition presented to the qualified electors of the territory proposed to be annexed at the Election received at least two-thirds (2/3) of the votes cast at the Election. A copy of the City Clerk's certificate of election results is **attached**.

CERTIFICATE OF CITY CLERK

I, STEPHANIE LOPEZ, City Clerk of the City of Modesto, hereby certify that, pursuant to Resolution No. 2008-404, A Resolution of the City Council of the City of Modesto Calling an Election for the Purpose of Submitting the Levy of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) Special Taxes to the Qualified Electors of the Territory Proposed to be Annexed to the District (Annexation No. 14) adopted on May 27, 2008, by the City Council of the City of Modesto, I did conduct the Special Tax Election on July 1, 2008, and that the election was conducted by mail or in person at the City Hall of the City of Modesto.

I further certify that the following shows the full text of the measure submitted to the voters at the election and the full and true totals of all votes cast for and against the measure.

> **Proposition A.** Shall special taxes for Tax Zone #2, with maximum rates, method of apportionment, and manner of collection as provided in **Exhibit** A to the City's Resolution No. 2004-683, entitled "A Resolution of the City Council of the City of Modesto Creating Tax Zone #2 in Community Facilities District No. 2004-1 (Village One #2), Approving an Increase in the One-Time Facilities Special Tax Therein, and Approving Updates of the Rate and Method of apportionment of Special Taxes for the District", adopted by the City Council of the City of Modesto on December 14, 2004, which is incorporated herein by this reference, be levied within the territory proposed to be annexed to Tax Zone #2 of the City of Modesto Community Facilities District No. 2004-1 (Village One #2) pursuant to the City's Resolution No. 2008-298, entitled "A Resolution of the City Council of the City of Modesto of Intention to Annex Territory to Community Facilities District No. 2004-1 (Village One #2) and to Authorize the Levy of Special Taxes therein (Annexation No. 14)" adopted by the City Council of the City of Modesto on May 27, 2008, for the purposes set forth in Resolution No. 2004-199, entitled "A Resolution of the City Council of the City of Modesto of Formation, Establishing City of Modesto Community Facilities District No. 2004-1 (Village One #2), Authorizing the Levy of Special Taxes within the District, Preliminarily Establishing an Appropriations Limit for the District, and Calling an Election for the Purpose of Submitting the Levy of the Special Taxes and the Establishment of the Appropriations Limit to the Qualified Electors of the District", adopted by the City Council of the City of Modesto on April 6, 2004, which is incorporated herein by this reference?

TOTAL VOTES CAST: YES 2 NO 0

Stephanie Lopez
City Clerk of the City of Modesto

Dated: July 1, 2008

SECTION 3. Pursuant to Section 53339.8 of the Act, it is hereby ordered that the territory proposed to be annexed to the District pursuant to Resolution No. 2008-298 be annexed to and be a part of the District with full legal effect, and that the District Special Taxes be levied within the territory so annexed as set forth in the Resolution of Creation of Tax Zone #2.

SECTION 4. The City Clerk is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of the Election.

SECTION 5. The City Clerk is further authorized and directed to record an amendment to the Notice of Special Tax Lien with the County Recorder of the County of Stanislaus, within 15 days from the date hereof, in accordance with the provisions of Sections 3114.5 and 3117.7 of the California Streets and Highways Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 1st day of July 2008, by Councilmember Keating, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Councilmembers:	Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None

ATTEST: _____
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _____
SUSANA ALCALA WOOD, City Attorney

City Clerk's Office

Minutes

City Council Chambers, Basement Level
Tenth Street Place, 1010 Tenth Street, Modesto, California

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> Search

City Council Calendar

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The following draft minutes are scheduled for approval at the next regular City Council meeting.

MINUTES

City of Modesto
CITY COUNCIL MEETING
Chambers, Basement Level
Tenth Street Place, 1010 10th Street
Modesto, California

Tuesday July 01, 2008, at 5:30 p.m.

Roll Call Present: Councilmembers Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour
Absent: None

Pledge of Allegiance to the Flag

Invocation: Jeff Norman, Modesto Covenant Church

City Clerk's Announcements – Item 24 – continued to July 8, 2008

Declaration of Conflicts of Interest - None

Reports from Closed Session – City Attorney Wood reported on Closed Session Items.

ACKNOWLEDGEMENTS AND PRESENTATIONS

1. Presentation of Proclamation proclaiming July 7 through 13, 2008 as Healthy Air Living Week. (Funding Source: Not applicable)
City Manager; Kathy Espinoza, 571-5597, kespinoza@modestogov.com

ACTION: Mayor Ridenour presented a Proclamation proclaiming July 7 through 13, 2008 as Healthy Air Living Week.

PUBLIC COMMENT PERIOD

Frank Johnson, Vice President of NAACP, spoke regarding harassment by the Modesto Police Department and requested to be put on the next Council Agenda.

Salvador Rivera spoke as a member of the Community regarding harassment by the Modesto Police Department.

Tony Hernandez, former Vice President of Most Envied Motorcycle Club, spoke regarding harassment by the Modesto Police Department.

John Mataka, identifying himself as legal redress for the NAACP of Stanislaus County, spoke regarding harassment and racial profiling of the Most Envied Motorcycle Club

by the Modesto Police Department.

Luis, President of the Most Envied Motorcycle Club, spoke regarding the harassment by the Modesto Police Department.

Fire Chief Jim Miguel spoke regarding illegal fireworks in Modesto on the 4th of July; citations will be $750 for illegal fireworks. Call 552-3911 regarding illegal fireworks.

Pastor Louis spoke regarding a conditional use permit for a transition house and was referred to Brent Sinclair, Director of Community & Economic Development.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: Items 2 through 19

ACTION CONSENT ITEMS 2-19: (Hawn/Lopez;unan)

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Councilmember.

Consent
2. Consider approving the minutes of the regular City Council meeting of June 24, 2008. (Funding Source: Not applicable)
• Motion approving recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) approving the minutes of the regular City Council meeting of June 24, 2008.

Consent
3. A. Consider approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership.

B. Consider approving final adoption of Ordinance No. **3492-C.S.** Amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment. (Funding Source: Not applicable)
• Motion approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership recommended.
• Motion approving final adoption of **Ordinance No. 3492-C.S.** Amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) approving final adoption of **Ordinance No. 3490-C.S.** authorizing an amendment to the contract between the City of Modesto and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to exclude City Council members from CalPERS membership.

ACTION: By Motion (Hawn/Lopez;unan) approving final adoption of **Ordinance No. 3492-C.S.** amending Article 4 of Chapter 1 of Title 4 of the Modesto Municipal Code Relating to Entertainment.

Consent
4. Consider adopting the selection of the Short-list of On-call Environmental Service Providers. (Funding Source: Not Applicable)
• Resolution approving the selection of environmental service providers to prepare environmental impact reports and perform other related environmental services for a period of fours years recommended.

Community and Economic Development; Paul Liu, 577-5267, pliu@modestogov.com

ACTION: Resolution 2008-385 (Hawn/Lopez;unan) approving the selection of environmental service providers to prepare environmental impact reports and perform other related environmental services for a period of fours years.

Consent
5. Consider accepting the public improvements for road improvements related to the Modesto Endoscopy Center located in the Village One Specific Plan Area in the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods. (Funding Source: Not Applicable)
• Resolution accepting Public Improvements for Road Improvements related to the Modesto Endoscopy Center on Sylvan Avenue and Bob's Way located in the Village One Specific Plan Area of the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods recommended.
Community & Economic Development; Robert Davalos, 209-577-5253, rdavalos@modestogov.com

ACTION: Resolution 2008-386 (Hawn/Lopez;unan) accepting Public Improvements for Road Improvements related to the Modesto Endoscopy Center on Sylvan Avenue and Bob's Way located in the Village One Specific Plan Area of the City of Modesto, authorizing the City Clerk to file a Notice of Completion, and to release securities upon expiration of statutory periods.

Consent
6. Consider approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement. (Funding Source: Not Applicable - CFF revenue generation)
• Resolution approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement recommended.
Community & Economic Development; Amy Gedney, 571-5501, agedney@modestogov.com

ACTION: Resolution 2008-387 (Hawn/Lopez;unan) approving a Deferred Payment Agreement and Notice of Lien with Armando Gonzalez, Luis Javier Gonzalez and Refugio Gonzalez, and Jaime and Veronica Gonzalez for the payment of $10,022.40 in Capital Facilities Fees due at the time of building permit issuance and $40,089.60 plus interest in no more than five (5) annual installments and authorizing the City Manager or designee to execute the Agreement.

Consent
7. Consider acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts. (Funding Source: CFD 1996-1 (Village One), CFD 1998-2 (Carver-Bangs/Pelandale-Snyder), CFD 2000-2 (Coffee-Claratina), CFD 2002-1 (NorthPointe), CFD 2003-1 (Fairview Village) and CFD 2004-1 (Village One #2))
• Motion acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts recommended.
Community & Economic Development; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: By Motion (Hawn/Lopez;unan) acknowledging receipt of 2006-2007 Annual Reports for the City of Modesto Community Facilities Districts.

Consent
8. Consider authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000. (Funding Source: Water Fund)
• Resolution authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000 recommended.
Finance Department; Ken Masasso, 577-5420, kmasasso@modestogov.com

ACTION: Resolution 2008-388 (Hawn/Lopez;unan) authorizing the award of bid and contracts for the furnishing of water well and tank site painting services for the Public Works Department, Water Division to D.C. Vient, Inc., Modesto, CA, as the "primary" contractor, and Pacific Maintenance Co., Santa Clara, CA, as the "secondary" contractor, and authorizing the Purchasing Manager to issue annual purchase agreements for a period of two (2) years, with three (3) one-year extension options at the sole discretion of the City, for an estimated annual total cost of $35,000.

Consent
9. Consider the Monthly Budget Adjustment Report for July 2008. (Funding Source: Various Funds)
• Resolution amending the FY 2007-2008 annual budget recommended.
Finance; Wayne Padilla, 577-5369, wpadilla@modestogov.com

ACTION: Resolution 2008-389 (Hawn/Lopez;unan) amending the FY 2007-2008 annual budget.

Consent
10. Consider approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m. (Funding Source: Not Applicable)
• Resolution approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m. recommended.
Parks, Recreation and Neighborhoods; Mary Otten, 571-5863, motten@modestogov.com

ACTION: Resolution 2008-390 (Hawn/Lopez;unan) approving a request from Stanislaus Pride Center for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus PRIDE Day festival, to be held on September 27, 2008, from 10:00 a.m. to 6:00 p.m.

Consent
11. Consider approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only) (Funding Source: Not Applicable)
• Resolution approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only) recommended.
Parks, Recreation and Neighborhoods; Mary Otten, 571-5863, motten@modestogov.com

ACTION: Resolution 2008-391 (Hawn/Lopez;unan) approving a request from The Association of United Pagans for amplified music at Mancini Bowl, Graceada Park, for their annual Stanislaus Pagan Unity Festival, to be held on October 4, 2008, from 9:00 a.m. to 6:00 p.m. (amplified music from 10:00 am - 3:00 p.m. only)

Consent
12. Consider revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist. (Funding Source: Not applicable)
• Resolution revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist recommended.
Personnel; Cherree Platt, 577-5439, cplatt@modestogov.com

ACTION: Resolution 2008-392 (Hawn/Lopez;unan) revising the Position Classification Plan for the City of Modesto to amend the job specification for the classification of Water Conservation Specialist.

Consent
13. Consider accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45. (Total project cost is $215,049.78, which included construction contingency, engineering design and construction administration.) (Funding Source: Development Contribution)
• Resolution accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45 recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2008-393 (Hawn/Lopez;unan) accepting the work by Clyde Wheeler Pipeline, Inc. for the "Modesto Irrigation District – Irrigation Line Replacement Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $105,254.45.

Consent
14. Consider approving an Agreement with Associated Right of Way Services, Inc. for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement. Consider amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (Funding Source: Wastewater)
• Resolution approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement recommended.
• Resolution amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $75,350 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B808 (Emerald Trunk Rehab) to perform the required appraisal services to complete the project recommended.
Public Works; William Wong, 571-5801, wwong@modestogov.com

ACTION: Resolution 2008-394 (Hawn/Lopez;unan) approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 7 parcels for the Emerald Trunk Rehabilitation Project, in the not-to-exceed amount of $68,500, for the identified scope of services, plus $6,850 for additional services (if needed) for a maximum total amount of $75,350, and authorizing the City Manager, or his designee, to execute the Agreement.

ACTION: Resolution 2008-395 (Hawn/Lopez;unan) amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $75,350 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B808 (Emerald Trunk Rehab) to perform the required appraisal services to complete the project.

Consent
15. Consider approving an Agreement with Associated Right of Way Services, Inc. for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement. Consider amending the FY08/09 Capital Improvement Program to fully fund the Agreement with Associated Right of Way Services, Inc. (Funding Source: Wastewater)
• Resolution approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement recommended.
• Resolution amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $248,600 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B812 (Primary Outfall Rehab) to perform the required appraisal services to complete the project recommended.
Public Works; William Wong, 571-5801, wwong@modestogov.com

ACTION: Resolution 2008-396 (Hawn/Lopez;unan) approving an Agreement with Associated Right of Way Services, Inc. (AR/WS) for Acquisition Services for portions of up to 29 parcels for the Primary Outfall Rehabilitation Project, in the not-to-exceed amount of $226,000 for the identified scope of services, plus $22,600 for additional services (if needed) for a maximum total amount of $248,600, and authorizing the City Manager, or his designee, to execute the Agreement.

ACTION: Resolution 2008-397 (Hawn/Lopez;unan) amending the FY08/09 Capital Improvement Program budget in order to fully fund the Agreement with Associated Right of Way Services, Inc. (AR/WS) for acquisition services, by decreasing Object 6050 Contingency by $248,600 and reappropriating the same amount to Object 6030 Land/ROW Acquisition within the same CIP Account 6210-480-B812 (Primary Outfall Rehab) to perform the required appraisal services to complete the project.

Consent
16. Consider accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. (Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration.) (Funding Source: CMAQ and Matching Gas Tax Funds)
• Resolution accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and

to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration recommended.
Public Works; Kris Ohlson, 577-5423, kohlson@modestogov.com

ACTION: Resolution 2008-398 (Hawn/Lopez;unan) accepting the work by Applegate Johnston, Inc. for the project titled "Installation of Lighted Crosswalks at 4 Locations Project" as complete, authorizing the City Clerk to file a Notice of Completion with the Stanislaus County Recorder and to release securities upon expiration of statutory periods, and authorizing payment of amounts totaling $190,457.05. Total project cost is $237,925.71, which included construction, contingency, engineering design and construction administration.

Consent
17. Consider authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000. (Funding Source: Wastewater and Stormwater Funds)
• Resolution authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000 recommended.
Public Works; Gary DeJesus, 577-6255, gdejesus@modestogov.com

ACTION: Resolution 2008-399 (Hawn/Lopez;unan) authorizing the Purchasing Manager to conduct a sole source procurement of a SCADA System Upgrade for the Public Works Department, Water Quality Control Division, from HSQ Technology, Hayward CA, and authorizing the Purchasing Manager to issue a purchase order for a total estimated cost of $73,000.

Consent
18. Consider authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options at the sole discretion of the City, for an estimated total annual cost of $1.6 million. (Funding Source: Water Fund)
• Resolution authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options, at the sole discretion of the City, for an estimated total annual cost of $1.6 million recommended.
Public Works; Jeremy Damas, 209-342-2208, jdamas@modestogov.com

ACTION: Resolution 2008-400 (Hawn/Lopez;unan) authorizing the Purchasing Manager to issue formal Request for Bids (RFB) for the purchase of water meters for the Public Works Department, Water Services Division, for a two (2) year agreement with three (3) one-year extension options, at the sole discretion of the City, for an estimated total annual cost of $1.6 million.

Consent
19. Consider approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement. (Funding Source: Not Applicable)
• Resolution approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement recommended.
• Resolution amending the adopted Capital Improvement Program (CIP) Budget for

Fiscal Year 2008-09 to recognize $27,000 in one-time revenue from PG&E Smart Meter Installation and appropriate $27,000 in offsetting expenses to CIP Account No. 2370-160-E947-6041 – High Voltage Street Light Circuit Repair recommended.
Public Works; Nick Pinhey, 209-577-5213, npinhey@modestogov.com

ACTION: Resolution 2008-401 (Hawn/Lopez;unan) approving the 20-year License Agreement with Pacific Gas and Electric (PG&E) for the Installation of PG&E SmartMeter Communication Equipment Technology on all City-owned Streetlights, and authorizing the City Manager, or his designee, to execute the License Agreement.

ACTION: Resolution 2008-402 (Hawn/Lopez;unan) amending the adopted Capital Improvement Program (CIP) Budget for Fiscal Year 2008-09 to recognize $27,000 in one-time revenue from PG&E Smart Meter Installation and appropriate $27,000 in offsetting expenses to CIP Account No. 2370-160-E947-6041 – High Voltage Street Light Circuit Repair.

COUNCIL COMMENTS & REPORTS

None.

CITY MANAGER COMMENTS & REPORTS

None.

HEARINGS

Published in the Modesto Bee on June 19, 2008
20. Hearing to consider (i) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14) and (ii) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 (Village One #2). (Funding Source: CFD 2004-1 (Village One #2) Formation)
• Resolution calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14) recommended.
• Resolution canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1 recommended.
Community & Economic Development; Tina Rocha, 577-5211, trocha@modestogov.com

ACTION: Resolution 2008-403 (Keating/Marsh;unan) calling a special election within the additional territory proposed to be annexed to City of Modesto Community Facilities District No. 2004-1 (Village One #2) (Annexation No. 14).

ACTION: Resolution 2008-404 (Keating/Marsh;unan) canvassing the results of the special election and ordering the annexation of the additional territory to Community Facilities District No. 2004-1.

Published in the Modesto Bee on June 20, 2008
21. Hearing to consider approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue. (Funding Source: Not Applicable)
• Resolution approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the Infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue

recommended.
Community & Economic Development; Amy Gedney, 577-5211, agedney@modestogov.com

Councilmember Marsh left meeting at 6:50 p.m.

ACTION: Resolution 2008-405 (Hawn/Keating;unan Marsh absent) approving the Tivoli Specific Plan Facilities Master Plan (FMP) and Infrastructure Finance Plan (IFP) for the Infrastructure necessary to support the development of approximately 454 acres located north of Sylvan Avenue, south of future Claratina Avenue, east of Oakdale Road, west of Roselle Avenue. **(Staff to incorporate two modifications to the Tivoli FMP and IFP provided in Dave Romano's July 1, 2008 letter.)**

Published in the Modesto Bee on June 12, 2008
22. Hearing to consider establishing fees for tow truck driver permits and inspection of tow trucks. (Funding Source: General Fund)
• Resolution establishing fees for tow driver permits, and inspections and reinspections of tow trucks recommended.
Police; William Ryan, 342-9129, ryanw@modestopd.com

ACTION: Resolution 2008-406 (Keating/Lopez;unan Marsh absent) establishing fees for tow driver permits, and inspections and reinspections of tow trucks.

NEW BUSINESS

23. Consider accepting the annual Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report and Public Works Audit for year end June 30, 2007. (Funding Source: Various Funds)
• Motion accepting the Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report and Public Works Audit for year end June 30, 2007 recommended.
City Clerk; Stephanie Lopez, 577-5396, slopez@modestogov.com

ACTION: By Motion (Keating/Hawn;unan Marsh absent) accepting the Financial Statements, Single Audit, Management Letter, Consolidated Annual Financial Report, Gann Report, Redevelopment Agency Report, Abandoned Vehicle Abatement Program Report for year end June 30, 2007 and Public Works Audit for Fiscal Years 2003, 2004 and 2005.

24. Consider the request of Petrulakis Jensen & Friedrich, LLP on behalf of Dr. Brij Gupta for confirmation of development conditions on P-D(575), located at 3125 Coffee Road. (Funding Source: Not Applicable)
• There is not a recommended action on this item. See the Policy Alternatives section of the report for options on Council action.
Community and Economic Development; Steve Mitchell, 577-5267, smitchell@modestogov.com

ACTION: Continued to July 8, 2008 Council meeting.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting adjourned 7:00 p.m.

CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Section 54957(b)(1) of the Government Code) Title: City Attorney

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - Unrepresented Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Robin Renwick, Personnel Director Employee Organization: Unrepresented Management and Confidential Employees

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MCMA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Robin Renwick, Personnel Director Employee Organization: Modesto Confidential & Management Association

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MCEA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Barbara Santos, Deputy Director of Personnel Employee Organization: Modesto City Employees Association

CONFERENCE WITH LABOR NEGOTIATOR: (Pursuant to Section 54957.6 of the Government Code) - MPNSA Agency Negotiators: Greg Nyhoff, City Manager James E. Niskanen, Parks, Recreation and Neighborhoods Director Barbara Santos, Deputy Director of Personnel Employee Organization: Modesto Police Non Sworn Association

10b.74(2)

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2008-0071865-00
Wednesday, JUL 02, 2008 15:21:02
Ttl Pd $0.00 Nbr-0002565380
OMK/R2/1-3

Recording requested by and)
when recorded, please return to:)

Stephanie Lopez, City Clerk)
City of Modesto)
P.O. Box 642)
Modesto, California 95353)

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN
(NOTICE OF ANNEXATION NO. 14)

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Village One #2)

(Tax Zone #2)

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the California Streets and Highways Code and Section 53339.8 of the California Government Code, the undersigned City Clerk of the City of Modesto, County of Stanislaus, State of California, hereby gives notice of an amendment to the Notice of Special Tax Lien that was recorded on April 16, 2004 in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #04-0056546-00 (the "Notice of Special Tax Lien"), regarding Community Facilities District No. 2004-1 (Village One #2) (the "District") of the City of Modesto (the "City"), to which reference is hereby made.

Notice is further given that Tax Zone #2 was subsequently created in which the special taxes authorized to be levied within the District were authorized to be levied in Tax Zone #2, except that the One-Time Facilities Special Tax component of the special taxes was authorized to be levied at an increased rate.

The undersigned gives notice that certain territory has been annexed (the "Annexed Territory") to Tax Zone #2 of the District by the City Council of the City following approval of the levy of the District special taxes as revised for Tax Zone #2 (the "Special Taxes for Tax Zone #2") in the Annexed Territory by the qualified voters therein at a special tax election held on July 1, 2008. The rate, method of apportionment and manner of collection of the Special Taxes for Tax Zone #2 is set forth in Exhibit A to the Amendment to Notice of Special Tax Lien that was recorded on March 9, 2005, in the Office of the County Recorder of the County of Stanislaus, in the Official Records of the County, as Document #05-0039874-00 (the "Amended Notice of Special Tax Lien"). Exhibit A to the Amended Notice of Special Tax Lien is incorporated herein by this reference. The Special Taxes for Tax Zone #2 are authorized to be levied in order to pay debt service on bonds to be issued to finance the Facilities described in Exhibit B to the previously recorded Notice of Special Tax Lien, to pay for the Facilities, to pay for the Services described in Exhibit C to the Notice of Special Tax Lien, and to pay authorized costs and

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expenses related thereto. Exhibits B and C to the Notice of Special Tax Lien are incorporated herein by this reference.

Conditions under which the "Annual Facilities Special Tax" component of the Special Taxes may be prepaid and permanently satisfied, and the lien of that component of the Special Taxes cancelled, are also set forth in Exhibit A to the Amended Notice of Special Tax Lien.

Notice is further given that, as a result of this annexation (Annexation No. 14), the Special Taxes for Tax Zone #2 are authorized to be levied in the Annexed Territory, and that, upon the recordation of this Amendment to Notice of Special Tax Lien in the Office of the County Recorder for the County of Stanislaus, the obligation to pay the special taxes levy becomes a lien upon all nonexempt real property within the Annexed Territory in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the Annexed Territory as a result of this annexation (Annexation No. 14), and not exempt from the Special Taxes for Tax Zone #2, are as follows:

Assessor's Parcel No.	Owner's Name
085-050-006, 007, 008	Best/Modesto Partners, a California General Partnership

Reference is made to the boundary map of the Annexed Territory entitled "Annexation Map No. 14 of Community Facilities District No. 2004-1 (Village One #2), As Amended, of the City of Modesto, County of Stanislaus, State of California," recorded on May 29, 2008, in Book 4 of Maps of Assessment and Community Facilities Districts, at page 98, in the Office of the County Recorder of the County of Stanislaus, State of California. For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

District Administrator
City of Modesto
Tenth Street Place
P.O. Box 642
Modesto, California 95353
(209) 577-5211

Dated: July 2, 2008

Stephanie Lopez
City Clerk of the City of Modesto

ACKNOWLEDGMENT

State of California
County of Stanislaus)

On July 2, 2008 before me, Esther Puckett, Notary Public
(insert name and title of the officer)

personally appeared Stephanie Lopez,
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 and official seal.

Signature Esther Puckett (Seal)

ESTHER PUCKETT
Comm. # 1510166
NOTARY PUBLIC - CALIFORNIA
Stanislaus County
My Comm. Expires August 27, 2008