

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 90-22

WHEREAS, in the case of Oliver v. Rancho Murieta Community Services District, et al., Sacramento County Superior Court Civil Case No. 352109, a significant judgment has been rendered against Rancho Murieta Community Services District ("the District");

WHEREAS, the judgment is currently in the amount of \$558,000.00, to which may be added plaintiffs' attorneys fees and costs, with a possible offset of no more than \$60,000;

WHEREAS, the District has no insurance to cover all or any part of the judgment;

WHEREAS, the District has approximately \$1,879,402.31 in interest-bearing accounts (see Exhibit A, attached hereto and incorporated herein), and all such money is required by prior contracts or resolutions, as well as applicable law, to pay holders of District bonds issued pursuant to the Improvement Act of 1911;

WHEREAS, the District has also approximately \$723,880.03 in interest-bearing accounts (see Exhibit B, attached hereto and incorporated herein), and all such money is required by Government Code Section 66000 et seq., either to be used for capital facilities to serve the property from which the money was collected or to be refunded to the owner of the property from which the money was collected;

WHEREAS, the District also has approximately \$887,549.68 in an interest-bearing account (see Exhibit C, attached hereto and incorporated herein), which is committed by contract (attached

hereto as Exhibit D) to be used solely to pay for administrative, engineering or legal services in processing the development of Rancho Murieta South;

WHEREAS, the District has no other monies in savings or otherwise available from which to pay the Oliver judgment;


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Rancho Murieta Community Services District as follows:

1. The Board of Directors adopts as findings the matters set forth in the five paragraphs above.

2. Since the District has no funds available to pay any portion of the judgment, other than those funds which are committed to other uses by statute or by contract, the District hereby finds that it would constitute an unreasonable hardship unless the judgment is paid in installments.

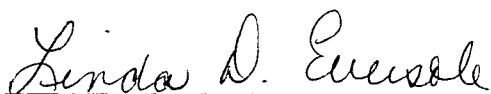
PASSED AND ADOPTED on July 18, 1990, by the following roll call vote:

AYES: Directors Brandt, Reese, Sullivan, Twitchell
NOES: None
ABSENT: None
ABSTAIN: Director Huntley



Richard E. Brandt, President
Board of Directors, Rancho Murieta
Community Services District

Attest:



Linda D. Eversole, Secretary
Board of Directors, Rancho Murieta
Community Services District

I hereby certify that the foregoing is the full, true and correct copy of Resolution 90-22 for Rancho Murieta Community Services District. This resolution was duly adopted by the Board of Directors at the regular meeting held on July 18, 1990.

Linda Eversole

Linda Eversole, District Secretary

[Seal]

RANCHO MUREITA COMMUNITY SERVICES DISTRICT

RESOLUTION 90-22

EXHIBIT A

SCHEDULE OF CASH BALANCES

IMPROVEMENT DISTRICT NO.1

Checking account #141-01614-7

Balance at April 30, 1990 \$128,048.75
=====

No activity through May 25, 1990.

On deposit Seafirst at April 30, 1990 \$ 340,430.06
Less - transfer to L.A.I.F. 340,430.06

Estimated balance at 5/25/90 \$ ---
=====

On deposit at L.A.I.F. balance
at April 30, 1990 \$ ---
Add - transfer from Seafirst 340,430.06
Add - received from Sacramento County
Assessor - for bond collections 1,410,923.50

Estimated balance at May 25, 1990 \$1,751,353.56
=====

Total estimated balance at May 25, 1990 \$1,879,402.31
=====

RANCHO MUREITA COMMUNITY SERVICES DISTRICT

RESOLUTION 90-22

EXHIBIT B

SCHEDULE OF CASH BALANCES

RESERVE BALANCE - LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)

Balance per General Ledger at April 30, 1990	\$ 602,651.94
Add - Collection of security fees previously written-off	127,966.32
Add - Property taxes collected Sacramento County	38,331.60
Add - Reimbursed Administrative Costs Improvement District No. 1	4,930.17
Less - Transfer to CSD checking for operating expenses	<u>(50,000.00)</u>
Estimated balance at May 25, 1990	\$ 723,880.03 =====

RANCHO MUREITA COMMUNITY SERVICES DISTRICT

RESOLUTION 90-22

EXHIBIT C

SCHEDULE OF CASH BALANCES

RANCHO MURIETA SOUTH DEPOSIT ACCOUNT - LOCAL AGENCY INVESTMENT FUND
(L.A.I.F.)

Balance at April 30, 1990 per general ledger	\$ 523,348.06
Add - Excess funds deposited by Reynen, Bardis & Winn - May 11	104,541.62
Add - Funds deposited by Reynen, Bardis & Winn - May 23	<u>259,660.00</u>
Estimated balance at May 25, 1990	\$ <u>887,549.68</u> =====

EXHIBIT D
AGREEMENT

This Agreement is made by and between Rancho Murieta Community Services District (hereafter, "CSD") and Winncrest Homes, Inc., (hereafter "Winncrest"). CSD and Winncrest agree as follows:

1. Winncrest has purchased, or is in the process of purchasing, approximately 150 acres ("Phase I") of undeveloped land which is within the CSD and lies south of the Cosumnes River. Winncrest plans to acquire and develop the remaining undeveloped acreage ("Phase II") which lies within CSD and is south of the Cosumnes River.
2. Winncrest plans to request CSD to take the necessary steps to create a Mello-Roos district covering Phase I, Phase II and the remaining undeveloped lands of RMPI north of the Cosumnes River.
3. The proposed Mello-Roos district would finance CSD improvements necessary to serve the lands within the Mello-Roos district's boundaries including, but not limited to, water storage facilities, storm drainage, sanitary sewer pumping station, force main, wastewater treatment plant and other community facilities.
4. The effort necessary to form a Mello-Roos district and to process Winncrest's development proposal requires the time and expense of CSD staff and consultants. Because this work is being performed at the request of Winncrest and to benefit

Winncrest or subsequent purchasers of Phases I and II, it is appropriate that these expenses, at least initially, be borne by Winncrest.

5. The parties agree that Winncrest shall advance to CSD the sum of \$100,000 for CSD expenses incurred in formation of the Mello-Roos district and/or relating to the Winncrest development proposal generally. Winncrest agrees to provide \$15,000 to CSD upon execution of the agreement and the remaining \$85,000 within five (5) working days of close of escrow. Escrow is anticipated to close during the week of November 21. If, however, escrow does not close and Winncrest does not acquire Phase I, Winncrest agrees to reimburse the District for all District expenses incurred which relate to the Winncrest development proposal or for the formation of the Mello-Roos district.

6. To the extent permitted by applicable law, Winncrest shall be reimbursed for this advance from the Mello-Roos proceedings. However, if the formation of a Mello-Roos district is not successful, CSD shall not reimburse Winncrest for this advance. Any sums remaining from the monies advanced by Winncrest which are not otherwise necessary to reimburse CSD for its costs as set forth in Section 5 hereof shall be returned to Winncrest.

7. The parties recognize that CSD does not commit itself to approving the formation of a Mello-Roos district nor does CSD guarantee that a Mello-Roos district will be formed.

8. When \$10,000 or less is left of the money advanced by Winncrest, CSD may request, in writing, additional advances in increments of \$50,000 from Winncrest. Winncrest shall deposit the \$50,000 with CSD within ten (10) days of CSD's notice.

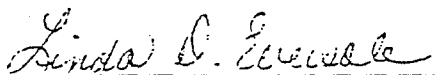
9. CSD shall be allowed to draw down upon the monies advanced by Winncrest as CSD incurs expenses relating to formation of the Mello-Roos district and the related Winncrest development proposal. CSD shall maintain separate accountings of its expenditures for the formation of the Mello-Roos district and for processing of the Winncrest development proposal. CSD shall keep records indicating the nature and amount of these expenses; these records shall be public records and available to Winncrest upon reasonable notice.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT:

Dated: NOVEMBER 16, 1988

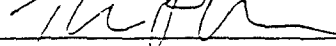
By: 
RICHARD BRANDT, President
Board of Directors

Attest:


Secretary

WINNCREST HOMES, INC. TAW
~~REYNEN, BARDIS & WINN~~

Dated: November 16, 1988

By: 
Winncrest Homes, Inc., THOMAS P. WINN
Office Title President