

RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1

RESOLUTION NO. 2002-03

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
AUTHORIZING THE ISSUANCE AND PRESCRIBING  
THE CONDITIONS, TERMS AND FORM OF THE  
RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
2002 SPECIAL TAX REFUNDING BONDS

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Adopted June 12, 2002

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COMMUNITY FACILITIES DISTRICT NO. 1  
2002 SPECIAL TAX REFUNDING BONDS

WHEREAS, on September 19, 1990, the Board of Directors (the "Board of Directors") of the Rancho Murieta Community Services District (the "District") duly adopted Resolution No. 90-31, which was amended and restated by Resolution No. 91-4 duly adopted by the Board of Directors on February 20, 1991 (collectively, the "Resolution"), which Resolution authorized the issuance and prescribed the conditions, terms and form of twelve million nine hundred twenty-five thousand dollars (\$12,925,000) aggregate principal amount of Rancho Murieta Community Services District Community Facilities District No. 1 Special Tax Bonds (the "Bonds") for the purpose of providing for the financing of certain public facilities in and for such Community Facilities District; and

WHEREAS, the Board of Directors has determined to authorize the issuance under the Law (as that term is defined in the Resolution) and the Resolution and to prescribe the conditions, terms and form of not to exceed nine million dollars (\$9,000,000) aggregate principal amount of Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds (the "Refunding Bonds") in order to refund all the Outstanding (as that term is defined in the Resolution) Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT, AS FOLLOWS:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

(a) All terms which are defined in Section 1.01 of the Resolution shall (except as otherwise provided herein) have the same definitions, respectively, in this Supplemental Resolution that are given to such terms in Section 1.01 of the Resolution.



(b) Unless the context otherwise requires, the terms defined in this subsection shall for all purposes hereof and of the Resolution and of the Refunding Bonds and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Bonds

“Bonds” means the Rancho Murieta Community Services District Community Facilities District No. 1 Special Tax Bonds that were issued under the Resolution and under and pursuant to the Law.

Costs of Issuance Fund

“Costs of Issuance Fund” means the Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds Costs of Issuance Fund established pursuant to Section 2.10(d) hereof.

Escrow Agent

“Escrow Agent” means U.S. Bank, N.A. (successor by merger with U.S. Bank Trust National Association), as Paying Agent under the Resolution and as Escrow Agent under the Escrow Agreement.

Escrow Agreement

“Escrow Agreement” means that certain Escrow Agreement by and between the District and the Escrow Agent, dated as of July 1, 2002, relating to the refunding of the Bonds.

Escrow Fund

“Escrow Fund” means the Rancho Murieta Community Services District Community Facilities District No. 1 Special Tax Bonds Escrow Fund established pursuant to the Escrow Agreement.

Paying Agent

“Paying Agent” means U.S. Bank, N.A. (successor by merger with U.S. Bank Trust National Association) at its principal corporate trust office in San Francisco, California, or any bank or trust company which may be substituted in its place as provided in the Resolution.

Refunding Bond Reserve Account

“Refunding Bond Reserve Account” means the account by that name (within the Special Tax Fund) established pursuant to Section 2.10(b) hereof.

### Refunding Bonds

“Refunding Bonds” means the Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds authorized to be issued by Article II of the Supplemental Resolution.

### Refunding Fund

“Refunding Fund” means the Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds Refunding Fund established pursuant to Section 2.10(c) hereof.

### Refunding Bond Redemption Account

“Refunding Bond Redemption Account” means the account by that name (within the Special Tax Fund) established pursuant to Section 2.10(a) hereof.

### Required Refunding Bond Reserve

“Required Refunding Bond Reserve” means, as of any date of determination, the least of (a) ten per cent (10%) of the initial offering price to the public of the Refunding Bonds as determined under the Code, or (b) the maximum annual interest and principal payments on the Refunding Bonds payable in the current or any future one-year period ending on October 1, or (c) one hundred twenty-five per cent (125%) of the average annual interest and principal payments on the Refunding Bonds payable in the current or any future one-year period ending on October 1; provided, that such requirement (or any portion thereof) may be provided by one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank the obligations insured by which insurer or issued by which bank, as the case may be, have (at the time of the issuance of such policy of municipal bond insurance or such surety bond or such letter of credit) ratings equal to “A” or higher assigned by Moody’s Investors Service and by Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

### Resolution

“Resolution” means Resolution No. 90-31 adopted by the Board of Directors on September 19, 1990, under and pursuant to the Law, as amended and restated by Resolution No. 91-4 adopted by the Board of Directors on February 20, 1991, under and pursuant to the Law, which authorized the issuance of the Bonds.

### Supplemental Resolution

“Supplemental Resolution” means this Resolution No. 2002-03, adopted by the Board of Directors on June 12, 2002, under and pursuant to the Law and the Resolution.



## ARTICLE II

### ISSUANCE OF REFUNDING BONDS

#### SECTION 2.01 Authorization and Purpose of Refunding Bonds.

(a) The Board of Directors has reviewed all proceedings heretofore taken relative to the authorization of the Refunding Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Refunding Bonds under and pursuant to the Law and the Resolution and under and pursuant hereto do exist, have happened and have been performed in due time, form and manner as required by the Law, and the District is now authorized, pursuant to each and every requirement of the Law and the Resolution and hereof, to issue the Refunding Bonds in the aggregate principal amount of not to exceed nine million dollars (\$9,000,000) in the form and manner provided herein, which such principal amount shall be determined at the time of the sale of the Refunding Bonds and which Refunding Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(b) The purpose for which the Refunding Bonds are to be issued is to provide funds to refund the Outstanding Bonds in accordance with the Resolution and the Escrow Agreement, to fund the Refunding Bond Reserve Account for the Refunding Bonds and to pay the costs incidental to or connected with the issuance of the Refunding Bonds.

SECTION 2.02 Denominations of Refunding Bonds. The Refunding Bonds shall be issued as fully registered Bonds in the denomination of five thousand dollars (\$5,000) or any integral multiple thereof (not exceeding the principal amount of Refunding Bonds maturing at any one time).

SECTION 2.03 Date and Maturity Dates of Refunding Bonds. The Refunding Bonds shall be dated their date of delivery. The Refunding Bonds shall mature serially (commencing on October 1, 2003) on the dates and in the principal amounts and shall bear interest at the rates per annum and shall be subject to prior redemption as determined at the time of the sale thereof, except that the final maturity of the Refunding Bonds shall not be later than October 1, 2015.

SECTION 2.04 Interest Payment Dates of Refunding Bonds. Interest on the Refunding Bonds shall be computed on the basis of a 360-day calendar year of twelve (12) 30-day months, and shall be payable on April 1, 2003, and semiannually thereafter on October 1 and April 1 in each year. The Refunding Bonds shall bear interest from the interest payment date next preceding the date of registration thereof, unless they are registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both dates inclusive, in which event they shall bear interest from such interest payment date, or unless they are registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event they shall bear interest from their date; provided, that if at the time of registration of any Refunding Bond interest is in then default on any Outstanding Refunding Bonds, such Refunding Bond shall bear



interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Refunding Bonds.

SECTION 2.05 Payment of Refunding Bonds. The principal of and redemption premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America, with such principal and redemption premiums, if any, to be paid only on the surrender of the Refunding Bonds at the principal corporate trust office of the Paying Agent at maturity or on redemption prior to maturity, which payment of the principal of and redemption premiums, if any, on the Refunding Bonds shall be made only to the person whose name appears in the registration books required to be kept by the Paying Agent pursuant to Section 2.08 of the Resolution as the registered owner thereof. The interest on the Refunding Bonds due on and before the maturity or prior redemption thereof shall be payable in like lawful money to the person whose name appears in the registration books required to be kept by the Paying Agent pursuant to Section 2.08 of the Resolution as the registered owner thereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, whether or not such day is a business day, such interest to be paid by check mailed to on each interest payment date by first class mail to such registered owner at such registered owner's address as it appears in such registration books, except that in the case of a Holder of one million dollars (\$1,000,000) or more in principal amount of Refunding Bonds then Outstanding, payment shall be made at such Holder's option by wire transfer of immediately available funds according to written instructions provided by such Holder to the Paying Agent not later than the fifteenth (15th) day of the month before such interest payment date.

SECTION 2.06 Redemption Prices and Terms of Refunding Bonds. The Refunding Bonds maturing by their terms on or after October 1, 2012, are subject to optional redemption by the District prior to their respective maturity dates, as a whole or in part on any interest payment date on or after October 1, 2011, from funds derived by the District from any source, upon published and mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of Refunding Bonds or portions thereof called for redemption), together with accrued interest thereon to the date of redemption, to wit:

102% if redeemed on October 1, 2011, or April 1, 2012;

101% if redeemed on October 1, 2012, or April 1, 2013; and

100% if redeemed on or after October 1, 2013, and prior to maturity.

SECTION 2.07 Notice of Redemption of Refunding Bonds. The District shall publish a notice of redemption of any Refunding Bonds called for redemption once in a newspaper of general circulation circulated in the District not less than thirty (30) days nor more than ninety (90) days before the redemption date of such Refunding Bonds called for redemption and shall mail a notice of redemption of any Refunding Bonds called for redemption pursuant to Section 3.03 of the Resolution to the respective Holders of all Refunding Bonds selected for redemption in whole or in part and to all securities information services selected by it to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by it in its sole discretion and to the original purchaser of the Refunding Bonds.

SECTION 2.08 Form of Refunding Bonds. The Refunding Bonds and the authentication and registration endorsements and the assignments to appear thereon shall be substantially in the following forms, respectively:

[FORM OF REFUNDING BOND]

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SACRAMENTO

RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1 2002 SPECIAL TAX REFUNDING BOND

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>CUSIP</u>
_____%	October 1, ____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The Rancho Murieta Community Services District, a community services district duly organized and existing under and pursuant to the laws of the State of California (the "District"), for value received hereby promises to pay (but only out of the proceeds of the Special Tax hereinafter referred to and certain funds held under the Resolution hereinafter mentioned to the extent specified therein) to the registered owner set forth above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for) the principal amount set forth above, together with interest thereon computed on the basis of a 360-day year of twelve (12) 30-day months from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both dates inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from its date) until the principal hereof shall have been paid, at the interest rate per annum set forth above, payable on April 1, 2003, and semiannually thereafter on October 1 and April 1 in each year. The interest on and principal of and redemption premium, if any, on this Bond are payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank, N.A. (the "Paying Agent"), in San Francisco, California. The interest on this Bond due on or before the maturity or prior redemption hereof shall be payable only to the person whose name appears in the registration books required to be kept by the Paying Agent



as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed on each interest payment date by first class mail to such registered owner at his address as it appears on such books, except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds then outstanding, payment shall be made at such owner's option by wire transfer of immediately available funds according to written instructions provided by such owner to the Paying Agent not later than the fifteenth (15th) day of the month next preceding such interest payment date. The principal of and redemption premium, if any, on this Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such principal and redemption premium, if any, to be paid only on the surrender of this Bond at the office of the Paying Agent at maturity or on redemption prior to maturity.

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) issued by the Board of Directors of the District for the Rancho Murieta Community Services District Community Facilities District No. 1 (the "Community Facilities District") located in the District, designated the "Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds" (the "Bonds"), which Bonds are issued under and pursuant to the Mello-Roos Community Facilities Act of 1982 (being Sections 53311 et seq. of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto (the "Law"), and under and pursuant to Resolution No. 90-31 adopted by the Board of Directors of the District on September 19, 1990, as amended and restated by Resolution No. 91-4 duly adopted by the Board of Directors of the District on February 20, 1991, and as supplemented by Resolution No. 2002-03 adopted by the Board of Directors on June 12, 2002 (collectively, the "Resolution"), for the purpose of refunding the outstanding principal amount of the Rancho Murieta Community Services District Community Facilities District No. 1 Special Tax Bonds in accordance with the Resolution, and are all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, denominations, maturities, interest rates or redemption provisions of the Bonds). All the Bonds are equally and ratably secured in accordance with the conditions and terms of the Law and the Resolution (copies of which are on file at the office of the Secretary of the Board of Directors of the District and at the office of the Paying Agent), and reference is hereby made to the Law and to the Resolution and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued and for the rights of the registered owners of the Bonds; and all the terms of the Law and the Resolution are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond, to all the provisions of which the registered owner of this Bond, by his acceptance hereof, agrees and consents; and each taker and subsequent registered owner hereof shall have recourse to all the provisions of the Law and the Resolution and shall be bound by all the conditions and terms thereof.

The Bonds are special tax obligations of the District, and the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the proceeds of the Special Tax (as that term is defined in the Resolution, and herein the "Special Tax") and certain other funds as provided in the Resolution, and the District is not obligated to pay them except from the proceeds of the Special Tax and such other funds as so provided. The General



Fund of the District is not liable and the full faith and credit of the District is not pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the District or any of its income or receipts except the money in the Special Tax Fund established under the Resolution, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the District.

The Bonds maturing by their terms on or after October 1, 2012, are subject to optional redemption by the District prior to their respective maturity dates, as a whole or in part on any interest payment date on or after October 1, 2011, from funds derived by the District from any source, upon published and mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of Bonds or portions thereof called for redemption), together with accrued interest thereon to the date of redemption, to wit:

102% if redeemed on October 1, 2011, or April 1, 2012;

101% if redeemed on October 1, 2012, or April 1, 2013; and

100% if redeemed on or after October 1, 2013, and prior to maturity.

If less than all the outstanding Bonds are to be redeemed at the option of the District at any one time, the Bonds of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of any Bonds maturing prior thereto, and if less than all the outstanding Bonds of any one maturity date are to be redeemed at any one time, the District shall select the Bonds or portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars (\$5,000) by lot in any manner that it deems appropriate and fair.

Notice of redemption of this Bond or any portion hereof shall be published by the District once in a newspaper of general circulation circulated in the District not less than thirty (30) days nor more than ninety (90) days before the redemption date and shall be mailed by the District not less than thirty (30) days nor more than sixty (60) days before the redemption date by first class mail to the registered owner thereof and to those securities information services selected by the District in accordance with the Resolution and to the original purchaser of the Bonds, but failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or validity of such proceedings for redemption. If notice of redemption has been duly given as aforesaid, then this Bond or the portion thereof to be redeemed shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated interest on this Bond or the portion thereof to be redeemed shall cease to accrue and the registered owner of this Bond shall have no rights in respect hereof except to receive payment of the redemption price of this Bond or the portion thereof to be redeemed, and upon surrender of this Bond if redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the registered owner hereof at the expense of the District a new Bond or Bonds of authorized



denominations equal in aggregate principal amount to the unredeemed portion of this Bond so surrendered.

The District has covenanted that, so long as any Bonds are outstanding, it will annually levy against all Taxable Land (as that term is defined in the Resolution) in the Community Facilities District and make provision for the collection of the Special Tax in amounts which will be sufficient, after making reasonable allowances for 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 Resolution, and which in any event will be sufficient to pay the interest on and the principal of and the redemption premiums, if any, on the Bonds as they become due and payable and to replenish the Bond Reserve Account established under the Resolution and to pay all current Expenses (as that term is defined in the Resolution) as they become due and payable in accordance with the provisions of the Resolution.

The Bonds are issuable in the form of fully registered bonds in the denomination of five thousand dollars (\$5,000) or any integral multiple thereof (not exceeding the principal amount of Bonds maturing at any one time). The registered owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of Bonds of the same maturity date of any other authorized denominations in the manner, subject to the conditions and upon payment of the charges provided in the Resolution.

The registration of this Bond is transferable on the registration books kept by the Paying Agent by the registered owner hereof or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or his duly authorized attorney, and thereupon a new Bond or Bonds of the same maturity date of authorized denominations in the same aggregate principal amount will be issued to the transferee in exchange therefor in the manner, subject to the conditions and upon payment of the charges provided in the Resolution. The District and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon as provided in the Resolution and for all other purposes.

The Resolution and the rights and obligations of the District and of the registered owners of the Bonds may be amended or supplemented at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such amendment shall (1) extend the maturity of this Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the District to pay the interest hereon or principal hereof or redemption premium, if any, hereon at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the registered owner of this Bond, or (2) permit the issuance by the District of any obligations payable from the proceeds of the Special Tax other than as provided in the Resolution, or jeopardize the ability of the District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Resolution, or (4) modify any rights or obligations of the Paying Agent without its prior written assent thereto; all as more fully set forth in the Resolution.

The Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the Board of Directors of the District nor the District nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds otherwise than from the proceeds of the Special Tax and certain funds held under the Resolution to the extent specified therein.

This Bond shall not be entitled to any benefits under the Resolution or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been 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 obligations of the District and the Community Facilities District, does not exceed any limit prescribed by the laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

IN WITNESS WHEREOF, the Rancho Murieta Community Services District has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of its Board of Directors and countersigned by the manual or facsimile signature of the Secretary of its Board of Directors and has caused its seal to be imprinted hereon by facsimile reproduction, and has caused this Bond to be dated \_\_\_\_\_.

RANCHO MURIETA COMMUNITY SERVICES  
DISTRICT

By \_\_\_\_\_  
President of the Board  
of Directors

(SEAL)

Countersigned:

\_\_\_\_\_  
Secretary of the Board  
of Directors



[FORM OF CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION]

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution which has been authenticated and registered on the date indicated below.

Date:

U. S. BANK, N.A., as Paying Agent

By \_\_\_\_\_  
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the same on the register of the Paying Agent, with full power of substitution in the premises.

\_\_\_\_\_

Date: \_\_\_\_\_.

SIGNATURE GUARANTEED:

\_\_\_\_\_

NOTE: The signature(s) to 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 and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

SECTION 2.09 Book-Entry Bonds.

(a) The Refunding Bonds shall be initially registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York, and shall be initially issued as one Refunding Bond for each maturity of the Refunding Bonds. The Depository Trust Company, New York, New York, is hereby appointed depository for the Refunding Bonds and registered ownership of the Refunding Bonds may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the Paying Agent, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the owner thereof for all purposes, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except to The Depository Trust Company or its successor (or substitute depository or its successor) as a registered owner of the Refunding Bonds.

(c) So long as the Outstanding Refunding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered owner of the Refunding Bonds, or its registered assigns, in effecting payment of the interest on and principal of and redemption premiums, if any, on the Refunding Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.



SECTION 2.10 Application of Proceeds of Sale of Refunding Bonds. Upon the receipt of payment for the Refunding Bonds when the same shall have been duly sold by the District, the Paying Agent shall set aside and deposit the proceeds of sale of the Refunding Bonds in the following accounts and funds in the following order:

(a) The Paying Agent shall deposit in the “Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds Bond Reserve Account” (to be called the “Refunding Bond Reserve Account”), which account is hereby established within the Special Tax Fund, a sum of such proceeds which is equal to the Required Refunding Bond Reserve.

(b) The Paying Agent shall deposit in the “Rancho Murieta Community Services District Community Facilities District No. 1 2002 Special Tax Refunding Bonds Refunding Fund,” which fund shall be established by the Paying Agent, a sum of such proceeds as necessary to redeem the Prior Bonds (not to exceed \$9,865,000 plus accrued interest thereon to the redemption date), as set forth in the Escrow Agreement, which amount on the date of such deposit shall be transferred to the Escrow Agent for deposit by the Escrow Agent in the Escrow Fund for use (together with other money provided to the Escrow Agent by the District that is deposited by the Escrow Agent in the Escrow Fund at the same time) to purchase securities for deposit in the Escrow Fund that will be sufficient (in the determination of an Independent Certified Public Accountant, who shall certify such determination in writing to the District and the Paying Agent and the Escrow Agent) to provide for the payment of the interest on and the principal of all Outstanding Bonds maturing on October 1, 2002, and for the redemption of all Outstanding Bonds maturing on and after October 1, 2003, on October 1, 2002, as provided in the Escrow Agreement; and

(c) The Paying Agent shall deposit the remainder of such proceeds in the “Rancho Murieta Community Services District Community Facilities District No. 1 Special Tax Refunding Bonds Costs of Issuance Fund,” which fund is hereby established, and all such proceeds deposited therein shall be applied in the manner provided by the Law for payment of costs incidental to or connected with the issuance of the Refunding Bonds.

### ARTICLE III

#### MISCELLANEOUS

SECTION 3.01 Authority for the Supplemental Resolution. The Supplemental Resolution is adopted under and pursuant to the provisions of the Law and is supplemental to and is adopted under and pursuant to and in accordance with the Resolution.

SECTION 3.02 Terms of Refunding Subject to the Resolution. Except as in the Supplemental Resolution expressly provided, every agreement, condition, covenant and term contained in the Resolution shall apply to the Supplemental Resolution and to the Refunding Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform

to the Supplemental Resolution, and all references in the Resolution to the Bonds shall, as appropriate, be construed to refer to the Refunding Bonds.

SECTION 3.03 Continuing Disclosure Covenant. The District hereby agrees and covenants that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") executed by the District and dated the date of issuance and delivery of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and notwithstanding any other provision hereof, failure of District to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, that any registered owner or Beneficial Owner (as defined in the Continuing Disclosure Certificate) of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section.

SECTION 3.04 Covenant Not to Issue Additional Bonds. The District hereby agrees and covenants that it will not issue any Bonds under the Resolution to acquire, construct or install any Facilities or portions thereof or to reimburse the District for such costs; provided that this Section does not preclude the District from issuing Bonds for purposes of refunding any Bonds then outstanding under the Resolution.

SECTION 3.05 Effective Date of the Supplemental Resolution. The Supplemental Resolution shall take effect from and after its passage and approval.



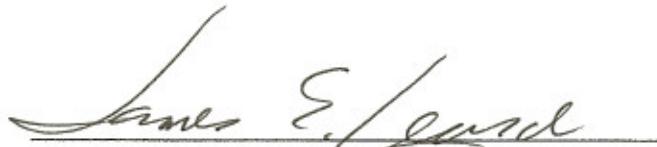
PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District this 12th day of June, 2002, by the following vote, to wit:

AYES: LENSCH, BRENNAN, CRAVENS, KUNTZ, WHITE

NOES: NONE

ABSTAIN: NONE

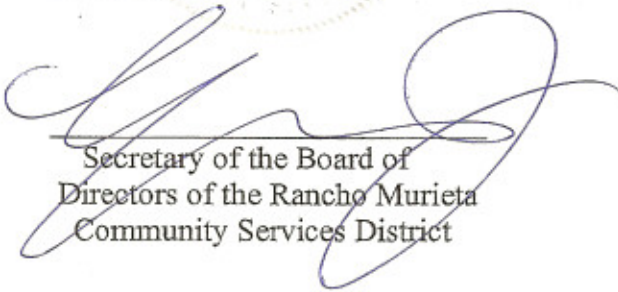
ABSENT: NONE



President of the Board of  
Directors of the Rancho Murieta  
Community Services District

(SEAL)

ATTEST:



Secretary of the Board of  
Directors of the Rancho Murieta  
Community Services District