



City of Roseville
Fiddymment Ranch
Community Facilities District No. 5
(Public Facilities)

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I. Introduction

WHEREAS, the City Council of the City of Roseville (hereinafter referred to as the “City Council”), in the State of California, did, pursuant to the terms and provisions of Chapter 2.5 of Part 1, of Division 2, of Title 5 of the Government Code of the State of California, as amended (the “Act”), adopted a Resolution of Intention for the proposed formation of City of Roseville Community Facilities District No. 5 (Public Facilities) (“CFD No. 5”).

WHEREAS, this Community Facilities District Report (“Report”) is being provided to the City Council and generally contains the following:

1. A brief description of Community Facilities District No. 5 (Public Facilities) of the City of Roseville (“CFD No. 5”);
2. A brief description of the Facilities required at the time of formation to meet the needs of CFD No. 5.
3. A brief description of the Boundaries of CFD 5; and
4. An estimate of the cost of financing the bonds used to pay for the Facilities, including all costs associated with formation of the District, issuance of bonds, determination of the amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the District, and any other incidental expenses to be paid through the proposed financing.

For particulars, reference is made to the Resolution of Intention, Resolution No. 16-10 as previously approved. All capitalized terms not defined herein are defined in the Rate and Method of Apportionment of Special Tax section (Exhibit C) of this report.

NOW THEREFORE Willdan Financial Services, the appointed responsible firm directed to prepare the Report, pursuant to the provisions of the Code, does hereby submit the following:

II. General Description & Boundaries of CFD No. 5

A description of the exterior boundaries of the territory proposed for inclusion in CFD No. 5, including properties and parcels of land proposed to be subject to the levy of a Special Tax by CFD No. 5, is shown on the boundary map designated as "PROPOSED BOUNDARIES OF FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES)", which is on file in the office of the Clerk of the City Council of the City of Roseville and was recorded with the County Recorder of the County of Placer on February 1, 2016 in Book 3 of Maps of Assessment and Community Facilities Districts at page 73 and as Instrument Number 2016-0007232. A copy of the map is attached hereto as Exhibit A and hereby incorporated by reference.

III. Description of Facilities

The General Description of the Facilities that may be acquired or constructed is as follows:

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown in the Specific Plan:

- North Hayden Parkway;
- Holt Parkway;
- Crawford Parkway;
- North/South Parkway;
- Street 22;
- Blue Oaks Boulevard;
- Other public roadway improvements designed to meet the needs of the project.

Eligible roadway improvements include, but are not limited to, these: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing overhead utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; streetlights, signalization, and traffic signal control system; bus turnouts and shelters; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; masonry walls; traffic control and agency fees; and other improvements related thereto.

Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

POTABLE AND NON-POTABLE WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development in the Phases 2 & 3 portion of the Specific Plan. These facilities include, but are not limited to potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Water rights acquisition, purchase of water supply, and transfer fees are also authorized improvements.

DRAINAGE SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone drainage and storm drainage improvements designed to meet the needs of development within the Phases 2 & 3 portion of the Specific Plan. These facilities include, but are not limited to: mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping and irrigation; maintenance access roads, access gates, and fencing; and striping and signage.

WASTEWATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all backbone wastewater facilities designed to meet the needs of the development within the Phases 2 & 3 portion of the Specific Plan. These facilities include, but are not limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; trunk main extension to the sewer treatment plant, including a syphon crossing of Pleasant Grove Creek and associated maintenance access road improvements; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in the Phases 2 & 3 portion of the Specific Plan. Eligible improvements also include the Solid Waste Recycling Center. Facility improvements include, but are not limited to, these: site clearing, grading, and paving; curbs and gutters; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, fencing, and recycle containers and bins; and striping and signage.

PARK PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Phases 2 & 3 portion of the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Phases 2 & 3 portion of the Specific Plan, including, but not limited to, these: bike trails; bike/pedestrian bridges; storm drain crossings; wetland mitigation; tree mitigation; off-site hawk mitigation; agricultural mitigation, and/or wetland mitigation property acquisition; endowment payments for open space management, landscaping and irrigation; access gates and fencing; and related open space improvements.

UTILITIES

Authorized facilities include any and all utility improvements designed to meet the needs of development in the Phases 2 & 3 portion of the Specific Plan. All utility improvements, easement

payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

PREPAYMENT OF PRIOR COMMUNITY FACILITIES DISTRICT SPECIAL TAX/INDEBTEDNESS

Authorized facilities and incidental expenses for the CFD include the payment of all amounts necessary to pay, prepay or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD for facilities and incidental expenses authorized to be financed by the City of Roseville Fiddymont Ranch Community Facilities District No. 1 (Public Facilities) (the "Existing CFD"), as are set forth in the Resolution No. 04-445 of the City Council of the City of Roseville adopted September 15, 2004. The financing plan for the CFD includes financing the prepayment of the special tax on land within the area of the CFD that is also in the Existing CFD, which is secured by an existing lien on such property for the special tax of the Existing CFD and which lien will be removed upon authorization of the lien of the special tax of the CFD.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities and uses, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982 include, but are not limited to, these: the cost of planning, permitting and designing the facilities (including the cost of environmental evaluation), orthophotography, environmental remediation/mitigation, and preparation of an overarching operation and maintenance (O&M) Plan for the City of Roseville Open Space Preserves; land acquisition and easement payments for authorized CFD facilities; project management; construction staking; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the public facilities and cost associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or cost otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

This description of the public capital facilities is general in nature. The final nature and location of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the Report.

IV. Cost Estimates

The proceeds of CFD No. 5 will be used to fund the construction of facilities in the amount of approximately \$30 million. The remaining \$17 million in bonding capacity will be used to prepay Fiddymont Ranch CFD No. 1 bonds.

For cost particulars, reference is made to Exhibit B of this report.

V. Rate and Method of Apportionment of Special Tax

The Rate and Method of Apportionment (RMA) provide sufficient information to allow a property owner within CFD No. 5 to estimate the Maximum Special Tax for his or her property. It also includes method of prepayment in full or prepayment in part and the procedure for prepayments.

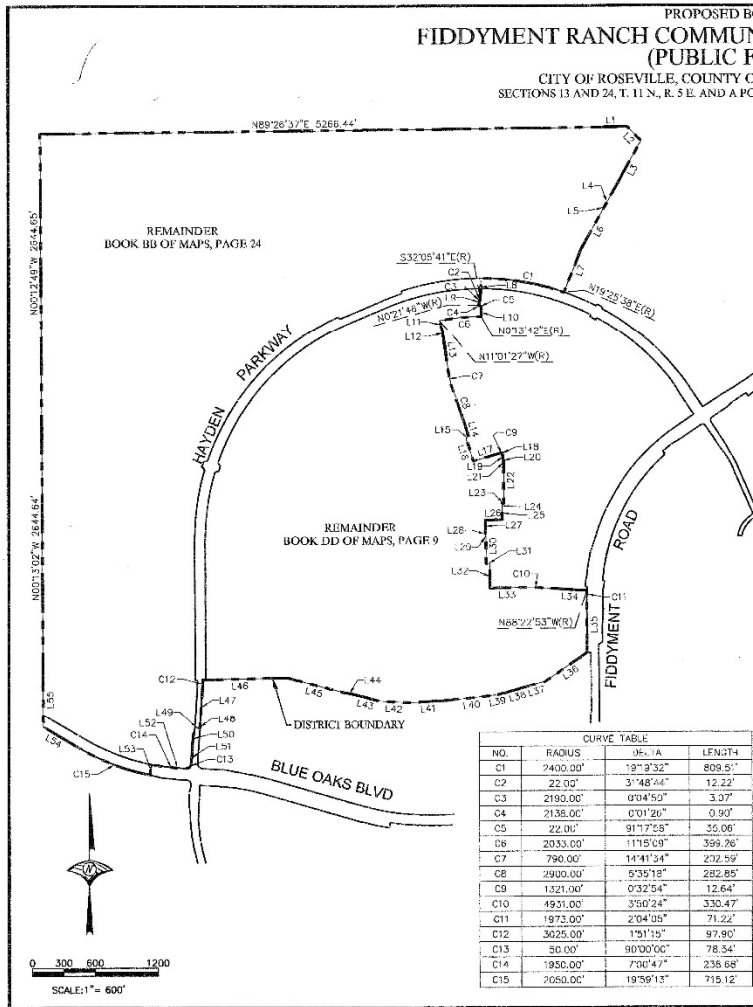
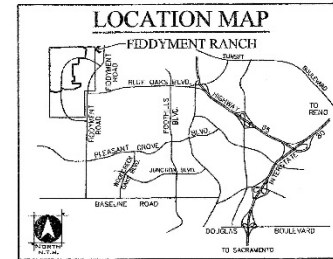
For particulars on the RMA, reference is made to Exhibit C.

EXHIBIT A

Boundary Map

PROPOSED BOUNDARIES OF
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT No. 5
 (PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA
 SECTIONS 13 AND 24, T. 11 N., R. 5 E. AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., M.D.B.&M.



| LINE TABLE | | |
|------------|-------------|---------|
| No. | Bearing | Length |
| L1 | N88°56'05"E | 336.22' |
| L2 | N44°35'12"W | 85.64' |
| L3 | N28°34'16"E | 642.86' |
| L4 | N37°08'16"E | 52.97' |
| L5 | N24°01'12"E | 84.43' |
| L6 | N28°04'16"E | 431.33' |
| L7 | N21°30'48"E | 348.04' |
| L8 | N0°57'40"E | 206.89' |
| L9 | N0°21'46"W | 32.00' |
| L10 | N0°57'40"E | 82.62' |
| L11 | N14°45'07"W | 105.23' |
| L12 | N10°49'21"W | 52.00' |
| L13 | N7°21'0"W | 346.96' |
| L14 | N16°27'17"W | 180.25' |
| L15 | N7°32'43"E | 25.00' |
| L16 | N16°27'17"W | 230.80' |
| L17 | N7°32'43"E | 275.10' |
| L18 | N15°54'23"W | 12.50' |
| L19 | N8°43'37"W | 56.72' |
| L20 | N44°48'14"W | 15.23' |
| L21 | N1°55'09"W | 21.92' |
| L22 | N0°13'02"W | 378.54' |
| L23 | N89°46'58"E | 74.80' |
| L24 | N0°33'00"E | 92.00' |
| L25 | N0°13'02"W | 105.00' |
| L26 | N89°46'58"E | 165.00' |
| L27 | N0°13'02"W | 105.00' |
| L28 | N0°08'31"W | 52.00' |
| L29 | N89°46'58"E | 6.31' |
| L30 | N81°50'2"W | 262.00' |
| L31 | N89°46'58"E | 36.74' |
| L32 | N0°13'02"W | 733.00' |
| L33 | N89°46'58"E | 305.22' |
| L34 | N88°22'38"W | 287.06' |
| L35 | N0°26'58"W | 918.24' |
| L36 | N55°00'30"E | 486.06' |
| L37 | N74°28'30"E | 183.80' |
| L38 | N73°54'28"E | 208.17' |
| L39 | N78°27'30"E | 151.07' |
| L40 | N84°7'15"E | 227.71' |
| L41 | N86°22'37"E | 333.50' |
| L42 | N88°50'50"W | 303.29' |
| L43 | N74°51'00"W | 237.11' |
| L44 | N78°50'56"W | 111.33' |
| L45 | N75°15'02"W | 554.80' |
| L46 | N86°47'27"E | 806.41' |
| L53 | N10°51'52"E | 100.00' |
| L54 | N58°18'55"W | 406.43' |
| L55 | N0°16'24"W | 406.18' |

| CURVE TABLE | | | |
|-------------|----------|-----------|---------|
| NO. | RADIUS | DEF. AN. | LENGTH |
| C1 | 2400.00' | 19°33'32" | 208.57' |
| C2 | 22.00' | 31°48'44" | 12.22' |
| C3 | 2190.00' | 0°04'50" | 3.07' |
| C4 | 2136.00' | 0°01'26" | 0.90' |
| C5 | 22.00' | 91°17'58" | 35.06' |
| C6 | 2033.00' | 11°15'09" | 399.26' |
| C7 | 790.00' | 14°41'54" | 232.58' |
| C8 | 3900.00' | 5°35'18" | 282.85' |
| C9 | 1321.00' | 0°32'54" | 12.64' |
| C10 | 4921.00' | 3°50'24" | 330.47' |
| C11 | 1872.00' | 2°04'05" | 71.22' |
| C12 | 3025.00' | 1°51'19" | 97.90' |
| C13 | 50.00' | 90°00'00" | 78.54' |
| C14 | 1950.00' | 7°30'47" | 236.68' |
| C15 | 2050.00' | 19°59'13" | 715.12' |

CITY CLERK'S STATEMENT

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, CALIFORNIA ON
 THIS 21 DAY OF January, 2016

Sonia Orozco
 SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE,
 PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF
 FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES),
 CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED
 BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING
 THEREOF, HELD ON THE 21 DAY OF January, 2016, BY ITS
 RESOLUTION NUMBER 16-03

Sonia Orozco
 SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE,
 PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT

FILED THIS 1st DAY OF February, 2016, AT THE HOUR OF 11:42
 O'CLOCK P.M. IN BOOK 3 OF ASSESSMENT AND COMMUNITY
 FACILITIES DISTRICTS AT PAGE 73 IN THE OFFICE OF THE COUNTY RECORDER
 OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

Document No: 2016-0007232
 Fee: \$ 8.00

Jim McCauley
 COUNTY RECORDER, COUNTY OF PLACER
J. Malena, Deputy



JANUARY 2016

Sheet 1 of 1
 1027.147



EXHIBIT B

Preliminary CFD Budget

FIDDYMENT PHASES 2 & 3
INFRASTRUCTURE BUDGET SUMMARY
 October 13, 2015

| 1. CFD FUNDED INFRASTRUCTURE | | | | | | | | | | | | | | | | Units in Phase | Cost/Unit |
|---|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|----------------|----------------|
| PHASE | MISC | ROUGH GRADING | EROSION CONTROL | STREETWORK | BRIDGES | SANITARY SEWER | STORM DRAIN | WATER SYSTEM | JOINT TRENCH | CONCRETE | WALLS & FENCES | LANDSCAPING | PROFESSIONAL FEES | CONTINGENCY (1%) | TOTAL | | |
| Phase 2G (F-4C, 9D, 8C & 8D) Infra | \$0 | \$243,000 | \$0 | \$362,000 | \$0 | \$1,535,000 | \$753,000 | \$241,000 | \$391,000 | \$104,000 | \$6,000 | \$37,000 | \$1,453,000 | \$769,000 | \$5,894,000 | | |
| Phase 2H (F-7 & F-9B) Infra | \$0 | \$121,000 | \$0 | \$639,000 | \$0 | \$69,000 | \$322,000 | \$440,000 | \$660,000 | \$155,000 | \$0 | \$9,000 | \$786,000 | \$479,000 | \$3,670,000 | | |
| Phase 2I (F11A & F-12) Infra | \$0 | \$2,000 | \$0 | \$910,000 | \$0 | \$969,000 | \$837,000 | \$706,000 | \$962,000 | \$370,000 | \$20,000 | \$84,000 | \$1,046,000 | \$886,000 | \$6,792,000 | | |
| Offsite Imps (Blue Oaks Blvd Segment 1 Only) | \$35,000 | \$32,000 | \$6,000 | \$359,000 | \$0 | \$0 | \$185,000 | \$198,000 | \$294,000 | \$118,000 | \$0 | \$156,000 | \$289,000 | \$251,000 | \$1,922,000 | | |
| Portion of Ph 3A (F-6A, 6B, 6C, 6D, 8A, & 8B) Infra | \$0 | \$375,000 | \$0 | \$2,153,000 | \$4,325,000 | \$376,000 | \$1,238,000 | \$1,659,000 | \$1,597,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,722,000 | | *Partial Imps* |
| TOTAL CFD FUNDED INFRASTRUCTURE | \$35,000 | \$773,000 | \$6,000 | \$4,423,000 | \$4,325,000 | \$2,936,000 | \$3,335,000 | \$3,244,000 | \$3,904,000 | \$747,000 | \$26,000 | \$286,000 | \$3,573,000 | \$2,385,000 | \$30,000,000 | | |
| 2. NON-CFD FUNDED INFRASTRUCTURE | | | | | | | | | | | | | | | | Units in Phase | Cost/Unit |
| PHASE | MISC | ROUGH GRADING | EROSION CONTROL | STREETWORK | BRIDGES | SANITARY SEWER | STORM DRAIN | WATER SYSTEM | JOINT TRENCH | CONCRETE | WALLS & FENCES | LANDSCAPING | PROFESSIONAL FEES | CONTINGENCY (1%) | TOTAL | | |
| Phase 2F (F13B1 partial, F13B2 & F13B3) Infra | \$8,000 | \$340,000 | \$48,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,000 | \$64,000 | \$490,000 | 116 | \$4,224 |
| Phase 2G (F-9C, 9D, 8C & 8D) Infra | \$22,000 | \$2,183,000 | \$128,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$350,000 | \$2,683,000 | 249 | \$10,775 |
| Phase 2H (F-7 & F-9B) Infra | \$14,000 | \$1,091,000 | \$82,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$178,000 | \$1,365,000 | 201 | \$6,791 |
| Phase 2I (F11A & F-12) Infra | \$20,000 | \$16,000 | \$114,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,000 | \$173,000 | 272 | \$638 |
| Phase 2J (F13A1, F13A2, & F13B1 partial) Infra | \$11,000 | \$232,000 | \$62,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$106,000 | \$62,000 | \$473,000 | 138 | \$3,428 |
| Portion Phase 3A (F6A,6B,6C,6D,8A & 8B) Infra | \$124,000 | \$3,373,000 | \$264,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$442,000 | \$881,000 | \$3,000 | \$253,000 | \$3,748,000 | \$3,122,000 | \$12,210,000 | 1085 | \$11,253 |
| Phase 3B (F-10A,10B,10C, & 11B) Infra | \$30,000 | \$175,000 | \$174,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$288,000 | \$100,000 | \$768,000 | 469 | \$1,638 |
| Phase 2 & 3 Bike Trails | \$2,000 | \$70,000 | \$10,000 | \$238,000 | \$468,000 | \$0 | \$60,000 | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$432,000 | \$192,000 | \$1,472,000 | | |
| Phase 2 & 3 Bike Trails Reimburse. | -\$2,000 | -\$70,000 | -\$10,000 | -\$238,000 | -\$468,000 | \$0 | -\$50,000 | \$0 | \$0 | -\$10,000 | \$0 | \$0 | -\$432,000 | -\$192,000 | -\$1,472,000 | | |
| Tree Mitigation & OS Fencing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,721,000 | \$1,840,000 | \$0 | \$0 | \$3,561,000 | | |
| TOTAL NON-CFD FUNDED INFRASTRUCTURE | \$279,000 | \$7,411,000 | \$872,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$442,000 | \$881,000 | \$1,724,000 | \$2,093,000 | \$4,172,000 | \$3,859,000 | \$21,723,000 | 2,530 | \$8,586 |

Notes:

- Infrastructure Budget updated based on quantities from the following Tentative Subdivision Maps prepared by Wood Rodgers, Inc.
 - Fiddymont Ranch Phase 2 – Villages F-13A & F-13B dated November 6, 2014
 - Fiddymont Ranch Phase 2 – Villages F-7, F-8C, F-8D, F-9B, F-9C, F-11A, F-12 dated January 16, 2015
 - Fiddymont Ranch Phase 3 – Villages F-6A1 & 2, F10A, B & C dated March 24, 2015
 - Fiddymont Ranch Phase 3 – Villages F-6C, F-6B, & F-11B dated March 23, 2015
- The phases do not necessarily represent a sequencing of improvements. Refer to each individual tentative map's phasing exhibits for phasing details.
- Preliminary earthwork is such that the site is designed to balance. Rough grade earthwork quantities as reported in these estimates are based on the cut volume only. Where a particular phase imports fill, that cost is allocating to the exporting phase.
- Backbone dry utility costs for gas, telephone, and cable are not included in this estimate.
- Total CFD funded infrastructure is estimated at \$30 million and subject to several factors such as bond interest rates.
- This estimate does not include in-tract village infrastructure costs and is for backbone infrastructure only. Refer to infrastructure shown in exhibits for backbone infrastructure included in this estimate.
- Quantities not explicitly detailed within are not included as part of this estimate.
- Access road to PGWWTP effluent structure, per DA Exhibit 00, Off-Site Improvements - Phase 3, paragraph 2 is not included as there are discussions about eliminating this access requirement with the soccer complex.



EXHIBIT C

Rate and Method of Apportionment

Rate and Method of Apportionment of Special Tax

City of Roseville

Fiddymment Ranch Community Facilities District No. 5

(Public Facilities)

A Special Tax shall be levied on all Taxable Property within the boundaries of the City of Roseville Fiddymment Ranch Community Facilities District No. 5 (Public Facilities) (“CFD No. 5”) and collected each Fiscal Year commencing in Fiscal Year 2016-17, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 5, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. 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 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“Administrative Fees & 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. 5 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, 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.

“Affordable Housing Director” means, at any point in time, the person within the City who serves as head of the department that is in charge of the City’s affordable housing program.

“Affordable Unit” means a Residential Unit built on a Parcel of Residential Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in an on-going deed of trust obligation of the

Parcel in favor of the City or which is otherwise classified as deed-restricted affordable property. The City's Affordable Housing Director shall determine which Units are designated as Affordable Units and shall maintain a current inventory of all Affordable Units, identified by tract and lot number, and in the case of Planning Areas, the number of affordable Units for each such Planning Area; all entries shall indicate the effective date of each Affordable Unit's deed of trust obligation or deed restriction and the effective date that any obligation or deed-restriction had been removed. An Affordable Unit Listing of all qualifying Affordable Units as of April 30, together with the above information, shall be made available to the CFD Administrator by July 1 of each year for purposes of determining the Assigned Special Tax. A maximum of 249 Residential Units within CFD No. 5 shall be classified as Affordable Units.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

"Anticipated Land Use" refers to the location, designation and land use classification specified in the approved tentative subdivision maps for property and the West Roseville Specific Plan (as amended) which are on file with the City.

"Assessor" means the Assessor of the County of Placer.

"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 Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax of that name described in Section 3.A below.

"Backup Special Tax" means the Special Tax of that name assigned to each Assessor's Parcel on an annual basis as shown in Section 3.B below.

"Bonds" means any bonds or other Debt of CFD No. 5, whether in one or more series, secured by the levy of Special Taxes.

"Building Permit" means a building permit for construction of a Residential Unit within CFD No. 5 issued by the City.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

"CFD No. 5" means the City of Roseville Fiddymont Ranch Community Facilities District No. 5 (Public Facilities).

"City" means the City of Roseville, California.

"Council" means the City Council of the City acting as the legislative body of CFD No. 5 under the Act.

“County” means the County of Placer, California.

“Debt” means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means, in any Fiscal Year, the following:

- For Single Family Detached Property, all Parcels for which a Final Map was recorded prior to May 1 of the preceding Fiscal Year
- For Single Family Attached Property, all Parcels for which use permits or building permits for new construction of a residential structure were issued prior to May 1 of the preceding Fiscal Year
- For Multi-Family Property, all Parcels for which use permits or building permits for new construction of a building were issued prior to May 1 of the preceding Fiscal Year
- For Non-Residential Property, all Parcels for which building permits for new construction of a building were issued prior to May 1 of the preceding Fiscal Year

“Exempt Property” means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section 8 below.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

“Fiscal Year” means the period starting on July 1 and ending the following June 30.

“High Density Residential” means an Assessor’s Parcel of Residential Property with an Anticipated Land Use designation of High Density Residential (HDR) in the current West Roseville Specific Plan.

“Indenture” means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1 under Section 3 below.

“Lot Square Footage” means all of the square footage of a Lot or Assessor’s Parcel reflected on a Final Map, Assessor’s Parcel Map or other document.

“Low Density Residential Property” means an Assessor’s Parcel of Residential Property with an Anticipated Land Use designation of Low Density Residential (LDR) in the current West Roseville Specific Plan.

“Maximum Special Tax” means for each Assessor’s Parcel, the amount determined in accordance with Section 3.C below.

“Medium Density Residential Property” means an Assessor’s Parcel of Residential Property with an Anticipated Land Use designation of Medium Density Residential (MDR) in the current West Roseville Specific Plan.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 5 for which a building permit was issued or may be issued for the construction of a residential structure with multiple units that share common walls, generally all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels in CFD No. 5 for which a building permit was issued or may be issued for the construction of a non-residential structure which are not Single Family Attached Property, Single Family Detached Property, Multi-Family Property, Public Property, Property Owner Association Property or Exempt Property.

“Outstanding Bonds” means all Bonds, which are deemed to be outstanding under the Indenture.

“Planning Area” means the area designated on Attachment 1 and in the tentative subdivision maps for the property within CFD No. 5 on file with the City.

“Prepayment Amount” means the amount required to prepay the Annual Special Tax obligation in full or in part for an Assessor’s Parcel as described in Section 6.A and 6.B, respectively, below.

“Property Owner Association Property” means any Assessor’s Parcel within the boundaries of CFD No. 5 owned in fee by a property owner association, including any master or sub-association.

“Proportionately” or “Proportionate” means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. **“Proportionately”** may similarly be applied to other categories of Taxable Property as demonstrated in Section 4 below.

“Provisional Property” means all Assessor’s Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 8, but cannot be classified as Exempt Property because to do so would reduce the total Maximum Special Tax or the Backup Special Tax for CFD No. 5.

“Public Property” means any property within the boundaries of CFD No. 5, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued or may be issued for the purpose of constructing one or more Residential Units.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Single Family Attached Property” means, in any Fiscal Year, all Assessor’s Parcels in CFD No. 5 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Residential Units that share common walls and are offered as for-sale

Residential Units, including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Assessor’s Parcels in CFD No. 5 for which a building permit was issued or may be issued for construction of a Residential Unit that does not share a common wall with another Residential Unit.

“Special Tax” means any special tax levied within CFD No. 5 pursuant to the Act and this Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 5.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Fees and Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year (subject to limits specified in Section 4); less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 5, which are not exempt from the levy of the Special Tax pursuant to law or Section 8 below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2016-17, each Assessor’s Parcel within CFD No. 5 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified according to its applicable Land Use Class based on its Lot Square Footage and other attributes (definitions of each Land Use Class provided in Section 1 above).

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property in Fiscal Year 2015-16 shall be determined pursuant to Table 1 below.

Table 1
FY 2015-16 Assigned Special Tax

| Land Use Class | Assigned Special Tax |
|----------------------------|---------------------------------|
| Low Density Residential | \$1,688.80 per Residential Unit |
| Medium Density Residential | \$1,299.08 per Residential Unit |
| High Density Residential | \$649.54 per Residential Unit |
| Affordable Units | \$324.77 per Residential Unit |
| Non-Residential | \$6,495.39 per Acre |

On July 1 of each Fiscal Year commencing with Fiscal Year 2016-17, the Assigned Special Tax shall increase by an amount equal to two percent (2%) of the Assigned Special Tax in effect for the prior Fiscal Year.

B. Backup Special Tax

CFD No. 5 is divided into Planning Areas. The geographic description of each Planning Area is based on the planning area designation of the same name. The planning area designations may be found in the Tentative Subdivision Maps for Fiddyment Ranch Phase 3 that are on file with the City and incorporated herein by reference. The Planning Areas are also referenced on the Land Use Diagram, which is included as Attachment 1.

Commencing in Fiscal Year 2015-16, the CFD Administrator will assign a Backup Special Tax to all Assessor's Parcels within CFD No. 5 based on the Acreage of the Assessor's Parcel and the applicable Backup Special Tax Rate described in Table 2 below.

Table 2
FY 2015-16 Backup Special Tax

| Planning Area | FY 2015-16 Assessor's Parcel Number | Backup Special Tax per Acre |
|----------------------|--|------------------------------------|
| F-6A1 | 492-010-033 | 8,781 |
| F-6A2 | 492-010-033 | \$11,386 |
| F-6B | 492-010-033 | \$8,526 |
| F-6C1 | 492-010-033 | \$14,875 |
| F-6C2 | 492-010-033 | \$17,641 |
| F-6D | 492-010-033 | \$6,821 |
| F-7A | 492-010-057 | \$11,457 |
| F-7B | 492-010-057 | \$10,997 |
| F-8A | 492-010-057 | \$15,417 |
| F-8B | 492-010-057 | \$15,864 |
| F-8C | 492-010-057 | \$10,213 |
| F-8D | 492-010-057 | \$6,194 |
| F-9B | 492-010-057 | \$8,804 |
| F-9C | 492-010-057 | \$8,528 |
| F-9D | 492-010-057 | \$5,590 |
| F-10A | 492-010-033 | \$7,384 |
| F-10B | 492-010-033 | \$9,929 |
| F-10C | 492-010-033 | \$7,129 |
| F-11A1 | 492-010-057 | \$9,493 |
| F-11A2 | 492-010-057 | \$11,605 |
| F-11A3 | 492-010-057 | \$10,679 |
| F-11B | 492-010-057 | \$13,758 |
| F-12 | 492-010-057 | \$9,954 |
| F-13A1 | 492-010-033 | \$8,085 |
| F-13A2 | 492-010-033 | \$7,300 |
| F-13B1 | 492-010-033 | \$9,621 |
| F-13B2 | 492-010-033 | \$9,125 |
| F-13B3 | 492-010-033 | \$8,115 |

On July 1 of each Fiscal Year commencing with Fiscal Year 2016-17, the Backup Special Tax rates in Table 2 above shall increase by an amount equal to two percent (2%) of the rates in effect for the prior Fiscal Year.

C. Maximum Special Tax for Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax set forth in Section 3.A or (ii) the application of the Backup Special Tax set forth in Section 3.B.

Notwithstanding the above, for any Fiscal Year in which all Taxable Property within a Planning Area is classified as Developed Property and the CFD Administrator has determined that the total Assigned Special Tax generated by the Developed Property is greater than or equal to the total Assigned Special Tax generated by the Anticipated Land Use for that Planning Area, the Maximum Special Tax for parcels within such Planning Area shall be equal to the Assigned Special Tax.

D. Maximum Special Tax for Undeveloped Property and Provisional Property

The Maximum Special Tax for Provisional Property and Undeveloped Property in any Fiscal Year shall be equal to the Backup Special Tax.

4. METHOD OF APPORTIONMENT

Commencing with Fiscal Year 2016-2017 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Annual Special Tax on all Taxable Property within CFD No. 5 until the amount of Annual Special Tax equals the Special Tax Requirement in accordance with the following steps:

- Step One: The Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Annual Special Tax rate as needed to satisfy the Special Tax Requirement.
- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Special Tax Requirement, then the Annual Special Tax on each Assessor's Parcel of Developed Property shall be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.
- Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Under no circumstances will the Annual Special Tax levied against any Assessor's Parcel used as a private residence be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Assessor's Parcels by more than ten percent (10%) of the Special Tax that would be levied in that Fiscal Year, if there were no delinquencies, pursuant to

California Government Code Section 53321(d), as in effect on the date of formation of CFD No. 5.

5. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes provided, however, that the Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners, and (ii) judicial foreclosure of delinquent Annual Special Taxes.

6. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 6:

“CFD Public Facilities Costs” means \$47,280,000 in Fiscal Year 2015-16 dollars, which shall increase by 2% on July 1, 2016, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 5, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees.

“Future Facilities Costs” means the CFD Public Facilities Costs minus the construction funds provided by all Previously Issued Bonds and any facilities costs funded directly from Special Tax proceeds.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Final Map has been recorded may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay the identified parcel(s), and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator may charge

a reasonable fee for providing this service, which shall be paid at the time of the request, and shall provide the owner with a statement of the Prepayment Amount for such Assessor's Parcel within thirty (30) days of the request., Prepayment by the owner must be made at least 60 days prior to any redemption date for the CFD No. 5 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Final Map has been recorded, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the proposed land use for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 5 assuming all Final Maps have been recorded within CFD No. 5 in accordance with the approved tentative subdivision maps on file with the City, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels (the "Bond Redemption Amount") This amount may be increased to satisfy the debt service coverage limitations of this section.
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.

7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date.
9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").
11. Calculate the administrative fees and expenses of CFD No. 5, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Debt of CFD No. 5, and the costs of recording any notices to evidence the prepayment and the redemption, less any prepaid fees (the "Prepayment Administrative Fees").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, 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"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.
13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund (as defined in the Indenture). The amount computed pursuant to paragraph 11 shall be retained by CFD No. 5.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 5 Bonds. In such cases, the increment above \$5,000 or integral

multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 5 Bonds to be used with the next prepayment of CFD No. 5 Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Priority Administrative Expenses (as defined in the Indenture) that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a Final Map has been recorded may be partially prepaid. The amount of the prepayment shall be calculated as in Section 6.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE-A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section 6.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation

A = the Prepayment Administrative Fees and Expenses from Section 6.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 6.A., and (ii) indicate in the records of CFD No. 5 that there has been a partial prepayment of the Special Tax Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $(1.00 - F)$ of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

7. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement for a period not to exceed fifty (50) Fiscal Years commencing with Fiscal Year 2016-17 (except that a Special Tax that was lawfully in or before such Fiscal Year and that remains delinquent may be collected in subsequent years), provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all CFD No. 5 obligations have been satisfied.

8. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on an Assessor's Parcel of Public Property, except the following: (i) an Assessor's Parcel of Public Property within CFD No. 5 that is leased to a private entity and subject to the levy of the Special Tax pursuant to Section 53340.1 of the Act; or (ii) an Assessor's Parcel of Taxable Property within CFD No. 5 that is acquired by a public agency following the formation of CFD No. 5 (which will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Act).

If an Assessor's Parcel of Public Property, or portion thereof, that is an Exempt Property (e.g. a school-owned parcel at the time of formation of CFD No. 5) is transferred to private ownership and an Assessor's Parcel, or portion thereof, that is Taxable Property becomes Public Property instead, then the parcel, or portion thereof, that was formerly Public Property and Exempt Property shall become Taxable Property and classified according to its use and the formerly Taxable Property shall become Exempt Property. This trading of an Assessor's Parcel from Taxable Property to Exempt Property will be permitted, without Resolution or Ordinance of the Council, to the extent that the transfer is agreed to by the owners of the Assessor's Parcels involved in the transfer and the City, and does not reduce the total aggregate annual Maximum Special Tax for CFD No. 5.

In addition to the exemptions described above, for each Fiscal Year and for each Planning Area, the CFD Administrator shall classify Assessor's Parcels of the following uses as Exempt Property sequentially and in the following order of priority: (i) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, and (iii) Assessor's Parcels of Property Owner Association Property; provided, however, that no such classification would reduce the Acreage of Taxable Property within each Planning Area below the expected Acreage of Taxable Property shown in Table 3 below, except that Acreage of Taxable Property eliminated from one Planning Area may be moved to another Planning Area to the extent that the transfer is agreed to by the owners of the parcels involved.

Any such Assessor's Parcel of Public Property, Property Owner Association Property or other property that would otherwise be exempt from the Special Tax but upon which a Special Tax

shall be levied in accordance with this Section 8 shall be classified as Provisional Property and taxed in accordance with its use.

Table 3
Expected Taxable Acreage

| Planning Area | FY 2015-16 Assessor's Parcel Number | Taxable Acreage |
|----------------------|--|------------------------|
| F-6A1 | 492-010-033 | 18.58 |
| F-6A2 | 492-010-033 | 13.55 |
| F-6B | 492-010-033 | 7.80 |
| F-6C1 | 492-010-033 | 12.38 |
| F-6C2 | 492-010-033 | 13.3 |
| F-6D | 492-010-033 | 4.84 |
| F-7A | 492-010-057 | 10.37 |
| F-7B | 492-010-057 | 10.32 |
| F-8A | 492-010-057 | 11.06 |
| F-8B | 492-010-057 | 10.92 |
| F-8C | 492-010-057 | 15.28 |
| F-8D | 492-010-057 | 10.88 |
| F-9B | 492-010-057 | 14.10 |
| F-9C | 492-010-057 | 17.26 |
| F-9D | 492-010-057 | 12.69 |
| F-10A | 492-010-033 | 29.30 |
| F-10B | 492-010-033 | 20.54 |
| F-10C | 492-010-033 | 19.90 |
| F-11A1 | 492-010-057 | 8.78 |
| F-11A2 | 492-010-057 | 8.71 |
| F-11A3 | 492-010-057 | 11.79 |
| F-11B | 492-010-057 | 15.07 |
| F-12 | 492-010-057 | 17.28 |
| F-13A1 | 492-010-033 | 9.87 |
| F-13A2 | 492-010-033 | 11.66 |
| F-13B1 | 492-010-033 | 13.64 |
| F-13B2 | 492-010-033 | 8.94 |
| F-13B3 | 492-010-033 | 8.96 |

9. INTERPRETATION, APPLICATION AND APPEAL OF SPECIAL TAX FORMULA AND PROCEDURES

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax. The Administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

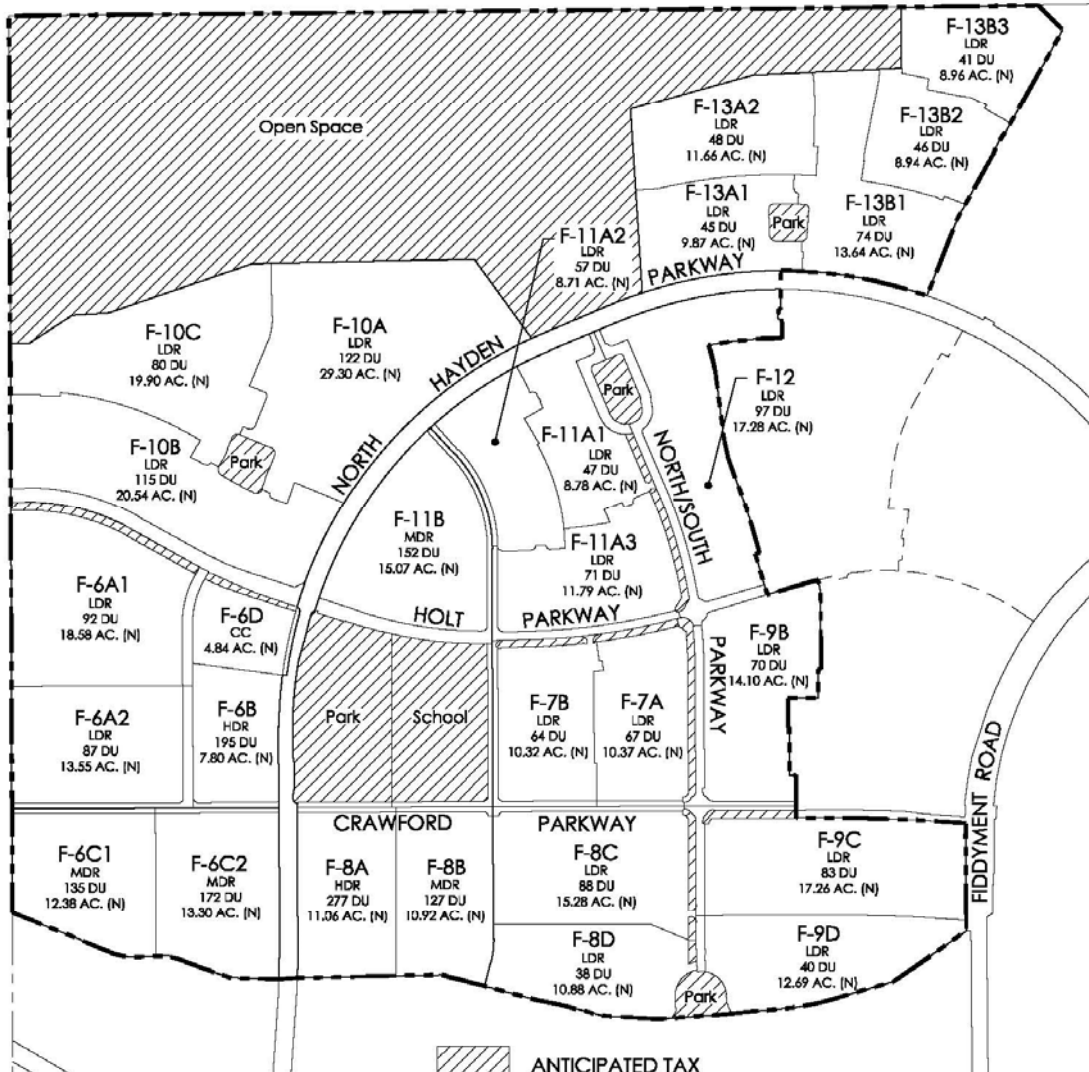
Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this document that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

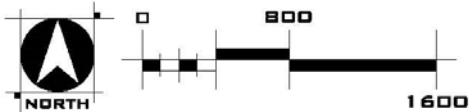
The City, upon request of an owner of land within the CFD which is not Developed Property, may also amend this RMA to reallocate the Special Tax applicable to such owner's land in a manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment (i) only affects the such owner's land, (ii) does not reduce the total annual Maximum Special Tax revenue for the CFD, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates shown in Table 1 (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d).

Attachment 1
LAND USE DIAGRAM

COMMUNITY FACILITIES DISTRICT #5
FIDDYMENT RANCH
 CITY OF ROSEVILLE, CALIFORNIA
 DECEMBER 2015



ANTICIPATED TAX EXEMPT PARCELS



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FIDDYMENT RANCH CFD #5 EXHIBIT

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